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IMF to act on Egypt's blocking of Arab funds

Washington Bureau

WASHINGTON Jan. 23 — The International Monetary Fund (IMF) has decided to postpone any action on Egypt's blocking of interest payments on Arab funds still held by the Egyptian Central Bank until sometime later next month, IMF sources said Wednesday.

The Egyptian move runs counter to provisions laid down by the IMF and agreed upon by its member states, including Egypt, on restrictions such as freezing of assets or non-payment of interest charges on deposits.

The IMF provisions say member states have a legal right to impose such restrictions only for national security reasons, such as in time of war, and then, only after obtaining permission in advance from the fund. If the situation does not permit this, the member state imposing the restrictions is required to notify the fund immediately after taking such actions.

After such notification, there is a 30-day waiting period during which the IMF considers the issue internally. If the member country does not hear from the fund within that period, it can consider the lack of communication as a sign of the fund's approval.

Egypt went ahead and introduced the restrictions without seeking the approval of the IMF beforehand or notifying the fund for approval after imposing the measures.

Egypt has refused to pay agreed-upon interest charges on deposits held by the Egyptian Central Bank which belong to Iraq, Saudi Arabia and other Arab states.

Iraq has protested to the fund over Egypt's refusal to pay interest on Iraqi deposits. Furthermore, Iraq complained that Egypt had no justification for taking such measures since there was no existing threat to Egypt's national security, fund sources said.

Responding to the Iraqi complaint, the IMF called Egypt in for consultations on the matter and set the standard 30-day period to consider the issue, the sources said.

But Saudi Arabia and other Arab states complained about the setting of the standard waiting period and requested that the period be extended until such time as all parties concerned can hold a general discussion of the Egyptian measures, according to the sources.

No decision on Egypt's move will be reached by the IMF until the fund meets to discuss the issue later next month, the sources said.

In another development the president of the Arab Monetary Fund Wednesday called for an international agreement to prevent a repetition of the United States decision to freeze Iranian assets, the official Emirates News Agency (WAM) said.

"The U.S. decision sets a dangerous precedent for international financial and monetary relations," Dr. Jawad Hashem said.

President Jimmy Carter ordered the freezing of all Iranian government assets in the United States last November in retaliation for the holding of 49 American hostages in the U.S. embassy in Tehran.

WAM said Hashem called for an international agreement binding developed countries not to freeze the assets of overseas investors. He said legal and financial experts should evolve guarantees to prevent similar moves against Arab deposits.

Several Arab countries with large investments in the U.S. criticized the American action against Iran.

Meanwhile, Iran's central bank is starting legal proceedings against the Bank of America in Paris to try to recover \$100 million it deposited with the U.S. bank, lawyers for the Iranian bank said Wednesday.

They said \$50 million of the deposit fell due for release on Dec. 12 and the rest was due on Jan. 7, but the Bank of America said it was not in a position to unblock the deposit. The U.S. bank did not comment on the case.

LANDSCAPE PLANT MATERIALS Contract Growing Wholesale Marketing trees, shrubs, ground covers interior plants

Power of Israeli lobby diminishing—Abourezk

By Geoff Gardner

DHAHRAN, Jan. 23 — The Israeli lobby dominates American foreign policy in the Middle East, but its influence is gradually diminishing, former U.S. Senator James Abourezk told an audience at the University of Petroleum and Minerals.

Less money has gone to Israel recently because of the budgeting process in the U.S. Americans are more aware of the cost of aid to Israel, he said. And the U.S. Congress and the American people are beginning to see the value of alliance with the Arab countries.

"Support for Israel by American politicians has been done largely out of their own self-interest, to get re-elected," he said. "If they began supporting the Arab side of the cause in order to maintain and insure an oil supply for the American people, that would be in the public interest."

The sale of the F-15s to Saudi Arabia was the beginning of the decline of the power of the Israeli lobby since it was a setback for the Israeli cause. Abourezk, who left his seat in the Senate in January 1979, helped coordinate passage of the arms deal in the U.S. Senate in 1978.

While lobbying is part of the American political system, the Israeli lobby is not part of that tradition. It works to support a foreign power although Israeli lobbyists aren't registered as such, he said. The former Senator from South Dakota doesn't advocate an Arab lobby in the U.S. He thinks that the best way for the Arab countries to present their views is by the Arab countries to present their views is by a "flood of Arabs" going to the U.S. and speaking to clubs, groups and colleges. When they do, he said, they will find sympathy.

Calling the Israeli lobby the best organized in the United States, Abourezk said that the American media have kept a cover on what Israel has done in the Middle East because it is fashionable. The American media supported the Zionist movement early in its history because of its underdog image and has continued this coverage because of pressure from the Israeli lobby and ignorance of the Arab cause. Printing unfavorable things about the Arab cause has also been fashionable. When they do, he said, they will find sympathy.

Abourezk discounted the view that Israel is a buffer between the Arab countries and the Soviet Union. If there were no Israel, there would be no Russian threat, because the Arab countries would be pro-American. The Israeli lobby successfully perpetuated this idea, and the American foreign policy planners have failed to understand the nationalistic movements of countries throughout the world.



James Abourezk

Americans don't buy that stuff, that there is only one side to the question. If a political leader would get up and tell the truth as he saw it, the American people, in their fairness, would respond."

Abourezk defined the Israeli lobby as those people, Jews and non-Jews, who support Israel over everything else. Commenting on Jewish influence in the U.S., he said, "The Jews don't control everything in the United States. The Israeli lobby, which consists largely of Jews, dominates Middle Eastern policy in the government, but that's about it. The American Jewish community doesn't all agree on that position. It's a big mistake for the Arab countries to think that Jews control everything and that they are evil."

Abourezk, whose parents emigrated from Lebanon to the U.S., was the first U.S. Senator of Arab descent and was a champion of Arab cause during his six-year term. He said that the Jews were leaders in America in charitable acts and civil rights, but the state of Israel "...came along and turned what I consider humanity into fascism. Israel has destroyed the real meaning of the Jewish religion."

Abourezk discounted the view that Israel is a buffer between the Arab countries and the Soviet Union. If there were no Israel, there would be no Russian threat, because the Arab countries would be pro-American. The Israeli lobby successfully perpetuated this idea, and the American foreign policy planners have failed to understand the nationalistic movements of countries throughout the world.

Gold fluctuates; sinks to \$ 650

LONDON, Jan. 23 (R) — The price of gold fluctuated wildly Wednesday at levels far below its recent records and many small investors rushed to get rid of it.

It was fixed at \$650 an ounce at the regular morning price-setting session in London.

This reflected the sharp fall of gold on markets round the world since it reached its record height of \$875 an ounce in New York on Monday.

On the paper currency markets, the dollar remained basically firm against other major currencies Wednesday despite the violent ups and downs of gold. The dollar has been fairly steady throughout the past three weeks which have seen gold rise so dramatically.

On the Hong Kong bullion market earlier Wednesday gold was down \$200 from Tuesday's closing price of \$834 an ounce, wiping out last week's rises. It closed in Hong Kong at \$635 an ounce.

On European markets gold opened around \$600 an ounce, dropped to \$585, then rose to \$690 before falling again by the time of the London fix.

Hong Kong reported a hectic rush to sell gold by the close of its local market. Reports from Zurich this morning said small investors were flooding banks with orders to sell.

What looked like the end of the recent "gold madness" started on the European and New York markets Tuesday.

But some dealers in Europe Wednesday reported market opinions that the drop had led to gold being oversold, and a climb back

began. But the smaller, less professional investors were still scrambling to sell.

Reports about the fate of the deposed Shah of Iran were believed to have affected the fluctuations in the gold price.

The price fell after reports from the official Iranian news agency that the Shah had been detained in Panama, causing some market operators to feel that an easing in international tension might be expected.

Rumors on the markets denying these reports saw gold rise in price. Then came another announcement from Iran reaffirming that the Shah was detained, and gold dropped.

Amid the roller-coaster movements of the gold price, dealers were reluctant to predict where it might stabilize. They said consistently as the metal climbed that the market was very volatile at the high levels and was susceptible to sharp dips as speculators sold to take their profits.

Brian Edgely, a gold analyst for the Merchant Bank Bache and Co., said \$550 to \$600 "would be a more realistic level" for the bullion price.

Closing gold prices (in U.S. dollars per troy ounce):

London	692.50
Paris	642.00
Frankfurt	650.00
Zurich	670.00
Hong Kong	624.74
Jeddah	SR 71,500

(Per troy ounce)

REUTERS

Egyptians doubt exchange of diplomats

Washington Bureau

WASHINGTON Jan. 23 — As the gulf deepens between Egypt and Israel on Palestinian autonomy, Egyptian sources here are convinced that the two countries will not exchange ambassadors next month — a step that could begin a death knell for the peace treaty.

The exchange of diplomats, set for Feb. 26, seems doomed unless the United States makes a new push to resolve the thorny question of Palestinian autonomy, both Egyptian and American sources echo Tuesday.

Egyptian sources here say the Palestinian autonomy talks are on a "deadend course".

This followed the Israeli cabinet's icy noting earlier this week of Egypt's rejection of Israel's detailed scheme for limited Palestinian self-rule on the West Bank and Gaza Strip.

Egypt's counter-proposal — which envisions a Palestinian legislative assembly — repeatedly was rejected outright by the Israeli cabinet.

Recent statements from the Carter administration here suggesting that a resolu-

tion of the Palestinian issue is essential to the stability of the Middle East, brought Egyptian sources to state that "we know that America is very close to our ideas on Palestinian autonomy."

Although it is still unclear what course

bilateral normalization will take, the stalemate in the autonomy talks may snuff the opening of land, sea and air connections between Israel and Egypt which are due to begin Jan. 26.

Earlier this week Egyptian Foreign Minister Bourous Ghali issued several tough warnings that unless things change (on Palestinian autonomy), bilateral normalization will suffer.

And the semi-official Egyptian press repeatedly has reported that Egypt intends to dole out concrete normalization steps according to Israeli concessions in the autonomy talks.

In Cairo meanwhile, a meeting Wednesday between Israeli Defense Minister Ezer Weizman and Egyptian Defense Minister Gen. Kamal Hassan Ali has been postponed until Thursday.

A defense ministry spokesman, gave no reason for the postponement. He told reporters Weizman "will spend the day sightseeing and visit former defense minister, Field Marshal Muhammad Abdul-Ghani Gamassi. In the meantime, a meeting between the two defense ministers will be held in the afternoon." The spokesman added that the two defense ministers will meet again on Friday.

Saud to lead delegation to Islamabad conference

JEDDAH, Jan. 23 (Agencies) — Foreign Minister Prince Saud Al Faisal will head the Saudi Arabian delegation to Saturday's Islamic foreign ministers conference in Pakistan with the number of countries participating rising to 31.

Iraq and North Yemen announced they will attend the conference, scheduled to discuss the Soviet invasion of Afghanistan. Jordan Prime Minister Abdul Hamid Sharaf reconfirmed his country's plans to attend.

Foreign Minister Saadoun Hamadi, who will lead the Iraqi delegation, said he will draw the attention of the conference to the dangers threatening the area as a result of the activities of the major powers.

Iraq, though it has a friendship and cooperation treaty with the Soviet Union, has denounced the Soviet involvement in Afghanistan.

Its decision to attend the Islamabad conference varies with that of other hard-line Arab states like Syria and South Yemen that have called for a postponement of the meeting.

These states argued that the opening of the Islamabad conference on Jan. 26 will detract attention from the Arab condemnation of the formal normalization of relations between Egypt and Israel, including an exchange of ambassadors, scheduled for the same day.

In a bid to smooth over the gap between Jordan and Syria, which has refused to attend, Sharaf said Jordan would take part in conference, "in coordination with our other Arab brothers and especially Syria."

Meanwhile, Soviet forces in southern Afghanistan are digging themselves in near the Pakistan border, Pathan tribesmen said Wednesday.

They said that Soviet troops and tanks were located six miles north of this village which straddles the frontier south of the Afghan city of Kandahar.

Abdul Sammat, an elder of the Achakzai Pathan tribesmen living in the village, said Afghan insurgents had been fighting with Soviet troops between the border and Kandahar, a communications center 80 miles (125 kilometers) to the north.

The villagers said that the Soviet troops were digging trenches and erecting bunkers to the west of the road linking Haji Duwano and Kandahar.

Although correspondents had valid visas issued by the Afghan embassy in Islamabad, they were not permitted to enter the Afghanistan side of the village.

Instead, military men in an Afghan army vehicle parked on the Afghan side of the border and photographed them talking to the villagers.

Abdul Sammat said he and the rest of the people of Haji Duwano would fight the Russians if they came down the road because "We have declared ourselves as Mujahideen (insurgents)."

He said that a number of men from the village, as well as many of the 10,000 refugees living close to the border in Pakistan, were lighting against the Russian incursion.

A youth of about 18, Haji Martaza, said he had been wounded fighting the Soviet army and would return to the battles which he said

were taking place to the north.

"I will go back and fight the Russians. My uncle is in prison in Afghanistan," he said, baring his left leg to show what appeared to be a bullet wound passing through the calf.

In Washington, the U.S. government announced that thousands of Soviet bureaucrats have moved into Afghanistan to run the government and East German intelligence agents are helping to operate the security system.

Afghan administrators are being dismissed and, in some cases, executed, as the Soviets attempt to tighten their hold on the pro-Moscow government of Babrak Karmal, the sources said. The report was similar to others from Indian and British journalists in Afghanistan.

State Department spokesman Hodding Carter said, meanwhile, that the Soviets were airlifting more troops into the country now that Kabul airport had reopened after a severe snowfall. He said there were now some 85,000 Soviet troops in Afghanistan.

The sources, who asked not to be identified, said the Soviets have taken over direction of the foreign ministry and security, with East German intelligence agents assuming the role they also play in South Yemen and Angola.

Muslim rebels' resistance to the Soviet intervention is persisting, Carter said. He said that while intelligence reports are sketchy, Soviet casualties in the month-long penetration of the Muslim country may have reached 2,000.

Chinese Foreign Minister Huang Hua returned to Peking Wednesday from a five-day visit to Pakistan and said his trip had yielded satisfactory results.

Huang flew to Islamabad last week to demonstrate support for Pakistan after the Soviet military intervention.

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Experimental

August will see flights to new Jeddah airport

JEDDAH, Jan. 23 (SPA) — Experimental flights will start operating from the new Jeddah International Airport from August, to pave the way for its official opening in January next year.

The airport, of which the first two stages are estimated to cost nearly SR 1.5 billion, will have a northern and a southern lounge, a special lounge and facilities for handling pilgrims.

Col. Said Youssuf Amin, director of the International Airports Projects, says that the

lounges will be able to handle 6,500 passengers every hour. They are equipped with modern facilities. The airport has 22 mobile lounges to carry passengers to and from the plane.

Amin said the airport will be provided with two desalination plants, one of which has been completed. The other will be partly completed within the next five months. The second has a capacity of 25,000 cubic meters which can be increased to 35,000. After their expansion, the two plants are expected to produce 10,000,000 gallons of drinking water a day.

The airport has a waste water treatment plant to supply water for irrigation. It will go into operation before services start at the new airport.

The pilgrim can handle nearly 80,000 pilgrims every 24 hours.

The airport has maintenance facilities, and is equipped with spare generators to produce power automatically when the normal electric power fails.

Panel set up to aid Afghans

RIYADH, Jan. 23 (SPA) — A committee will be set up under Riyadh Governor Prince Salman to receive donations for Afghan Muslim Fighters, according to a Royal Decree issued Wednesday. Subcommittees will also be set up all over Saudi Arabia to receive aid and channel it to the fighters.

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Farisi hands schools prizes

JEDDAH, Jan. 23 (SPA) — Mayor Muhammad Said Farisi Tuesday handed out prizes and certificates to schools which participated in the tree planting week in Jeddah.

The ceremony was attended, among others, by Dr. Abdullah Al-Zeid, director general of education of the Western Province; Abdul Rahman Al-Tunisi, director general of Al-Thaqif Model Schools, a number of education officials, school principals and education supervisors.

Deputy Mayor Dr. Hassan Hajara praised the efforts made during the week, and said there were 39 parks and 160,000 saplings in Jeddah.

He added that 3,000 children, 20 teachers, 20 engineers, 300 municipal workers and 41 schools of all stages had taken part.

The first prize was awarded to Siddique

Secondary School, the second to Farouk Intermediate School and the third to Salman Al-Farisi Primary School.

Zeid expressed his happiness at the directorate's active participation in the week and said that schools would soon take part in a Traffic Week, to educate children on traffic rules.

Farisi spoke of some other stages of planning in Jeddah. He said a desert park would be established south of Mecca Highway in an area of nearly one million square meters, as well as consumer industries for which the essential raw materials can be procured domestically.

Saudi Arabian interest in the project is

WEATHER

Cold winds will blow. A depression will affect the central and eastern regions and parts of the northern and western regions, bringing dull weather and scattered rain.

There will be fog early in the morning in the central and northern regions.

Surface winds will be mostly northerly and moderate to active, raising dust in the central and northern regions.

Territorial waters will be moderate to

choppy. Wednesday's temperatures (maximum, minimum in centigrade)

			Tabuk	14	04
Mecca	—	—	Tabuk	14	04
Jeddah	26	24	Turaif	11	01
Riyadh	28	17	Arar	15	02
Dhahran	22	17	Bisha	28	13
Medina	24	17	Yanbu	26	18
Taif	23	12	Abha	20	09

Pakistanis say

Saudi investors attracted to manufacturing in Karachi

JEDDAH, Jan. 23 — A duty free zone being set up near Karachi is attracting interest from Saudi Arabian investors, according to Pakistani officials.

The Pakistani embassy said Wednesday 3,000 acres of the zone will be a customs free area with only export-oriented industries. It will be free from sales tax and excise duty and enjoy income-tax concessions.

The master plan for the zone has been finalized and the work has started on infra-structure.

Over 3,000 application forms have been sent out to potential investors. Most are local industries, but a large number of enquiries are coming in from overseas investors interested in joint ventures with Pakistanis or in direct investment.

Saudi Arabians are mainly interested in setting up consumer industries in the zone, but quite a number have shown a preference for industries in electrical appliances, kitchen gadgets, domestic appliances, machinery and equipment.

The list of preferential industries being drawn up for the zone includes electronic components, electronic and electrical assemblies and sub-assemblies, tools, x-rays and films, machine tools and vehicle components.

The industries to be established in the area ought to be based on local raw materials and many Saudi Arabian investors would like to go in for canning and processing factories, as well as consumer industries for which the essential raw materials can be procured domestically.

Saudi Arabian interest in the project is

mainly spurred by the proximity of the zone to the Kingdom, and the availability of cheap labor. The projects in the zone will be labor-intensive but manpower is in large supply in Pakistan at low wages.

The embassy said some of the Saudi Arabian investors who were planning industrial enterprises elsewhere are now thinking of switching their planned projects to the zone.

Meanwhile, the managers of the zone have completed work on the topography of the area, and set the target dates for carrying out fencing, ground-leveiling and road construction.

According to the program, 200 acres will be ready in the zone by the middle of 1982 for accommodating nearly 250 industrial units.

Finnish team visits Damman chamber

DAMMAM, Jan. 23 (SPA) — Sheikh Saad Al-Moajel, chairman of Damman Chamber of Commerce and Industry, conferred Wednesday morning with a Finnish delegation touring the Eastern Province.

The talks dealt with commercial and economic relations. The delegation will discuss with businessmen in the area possible marketing of Finnish electric appliances and lighting equipment. It arrived in Dhahran Tuesday.

Earlier in the day, the delegation, led by Minister of Commerce and Industry Uls Sundquist, was seen off at Riyadh airport by Abdul Aziz Al-Turki, the deputy minister of petroleum and mineral resources, and other senior officials from the ministry.

Inspects faculties

Farm minister tours Hasa college

HASA, Jan. 23 (SPA) — Minister of Agriculture and Water Dr. Abdul Rahman Al-Al-Sheikh Wednesday paid a visit to King Faisal University here. He was briefed by Rector Dr. Muhammad Said Qahtani on the university's plans and projects.

He then inspected the Faculties of Agriculture and Nutrition and Veterinary Medicine and Animal Resources.

He also attended a luncheon given in his honor by the area's Agricultural Directorate.

The minister arrived here in the morning with his deputies, and was met by Director General of Agriculture Abdul Rahman Al-Yamani and Muhammad Abu Batin, director general of the Hasa Irrigation and Drainage Authority.

Meanwhile, Al-Riyadh reported that the statute of the women's university has been finalized and submitted to the Council of Ministers for approval.

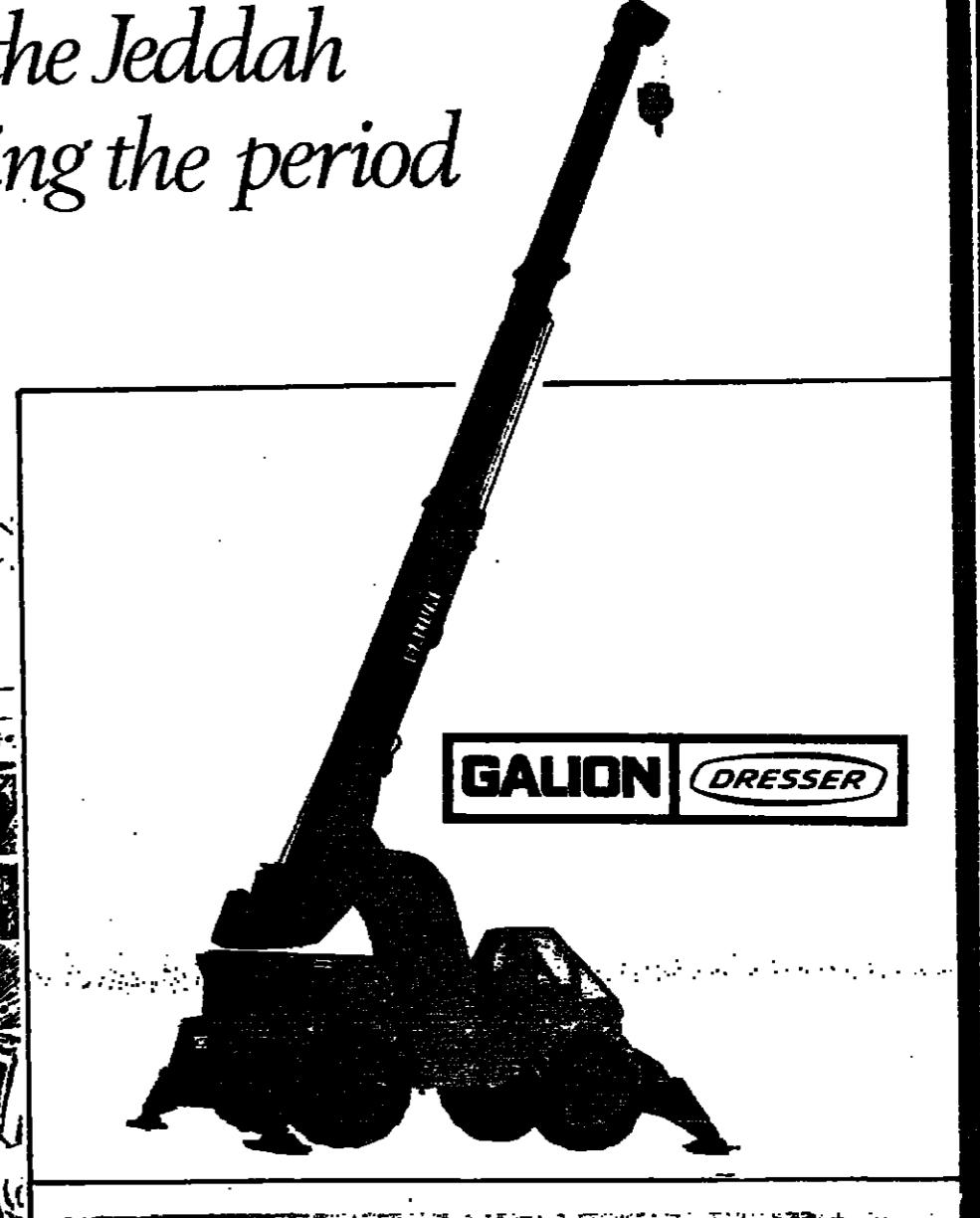
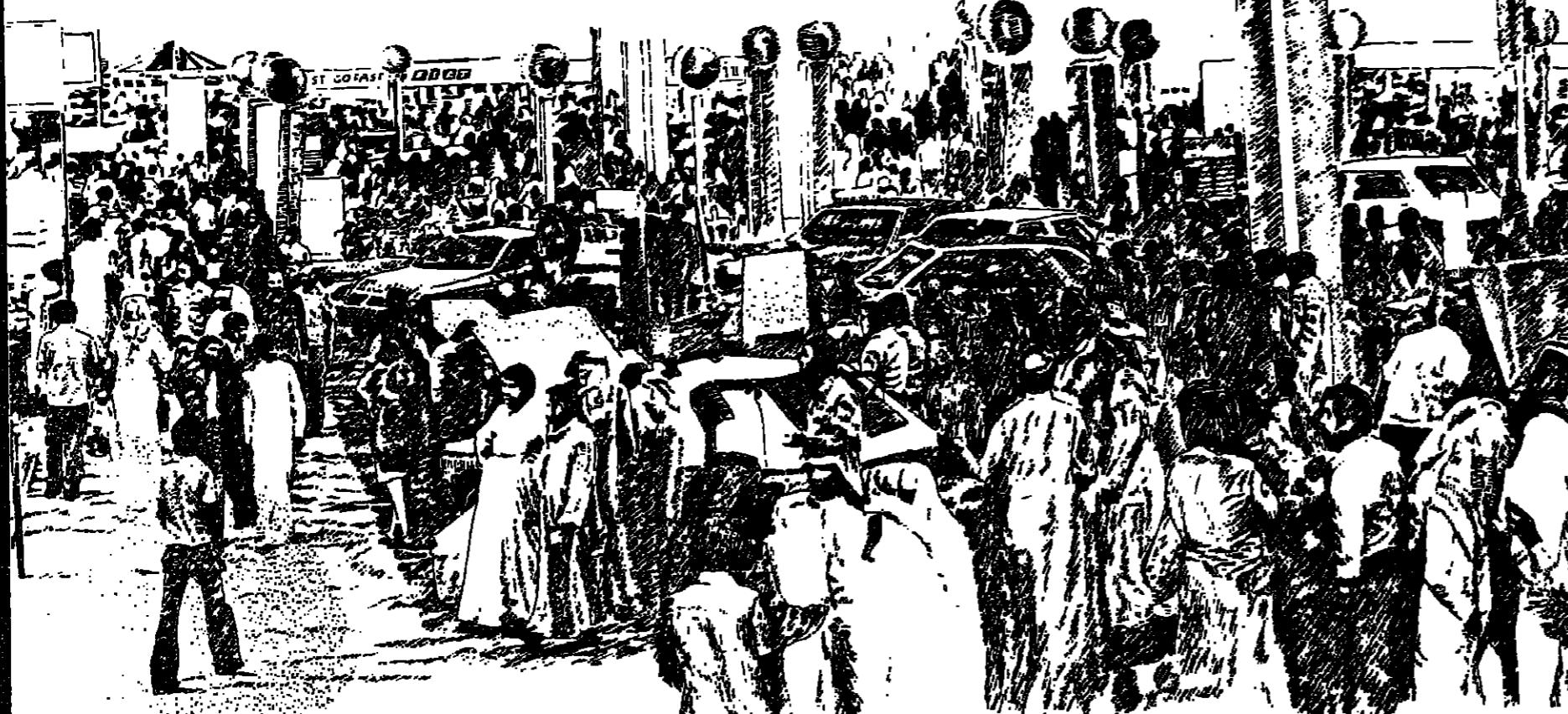
It said that a decree setting up the university is expected to come out soon.

It added that Crown Prince Fahd was very keen on having the university established as soon as possible. It will provide unified academic programs for girls.

Sheikh Abdullah Abdul Rahman Al-Rashid, deputy director general of Girls Education, said the decree would specify whether the new university would come under the supervision of the General Presidency for Girls Education or the Ministry of Higher Education.

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هذا من اجل

Construction

Crowd of 6,100 flocks to Jeddah's exhibition

Special to Arab News

JEDDAH, Jan. 23 — The Middle East Construction Exhibition here notched up 6,100 visitors in its first three days, the organizers say. The exhibition opened Saturday and continues until Saturday.

Visitors have come from Jeddah, Riyadh, the Eastern Province, all Gulf states, including Iraq, as well as Jordan, North Yemen, Lebanon, Turkey and Syria.

The quality of the audience is particularly gratifying, Fairs & Exhibitions Managing Director Dermot Graham says, and the location of the site outside the city center has reduced casual and uncommitted visitors to a

minimum.

"We are confident that visitor momentum will be sustained and certainly increased towards the end of the exhibition," he says. "Although we are delighted with the response in Saudi Arabia as a whole, particularly from the Eastern Province, we believe that attendance from Jeddah itself can be boosted even more and to this end our representatives are carrying out a reminder campaign throughout the area with the aim of maximizing visitor attendance in the last days of the show."

Of successful exhibitors, Portakabin sold 54 units at approximately £5,000 per unit on the first day. Frederick Parker of Britain has sold two 80 ton 'Rockranger' stonecrushers and another British firm, Camnic Components, has won its first ever Middle East order for the supply of 2,000 steel lintels.

American companies are reporting success. Rod Rydland of the Department of Commerce is pleased with attendance in the American Pavilion.

Raymond Horth of the Association of German Machinery Manufacturers hopes to bring a larger delegation next year, and is pleased with what he sees as a pioneer exhibition.

Fiat Alif of Italy, represented by Alain Asil, reports brisk business and the same applies to Komatsu, represented by Bugshan.

Ba Abbad of Saudi Arabia, stocking tools for the construction industry from Sweden, West Germany, the USA, France, Holland and Britain, reports inquiries. It has negotiated two agency rights. Stefan Seiditz, manager of the Swedish joint venture, is pleased, and the manager of the Belgian joint venture reports that his members are impressed with the level and quality of attendance in the evenings.

The organisers are already accepting bookings for next year's exhibition, which will take place from Jan. 11 to 16.

Government joint ventures represented this year have promised to return in 1981.

In few days

Eastern Province to get buses

DAMMAM, Jan. 23 (SPA) — Public bus services will begin in the cities and villages of the Eastern Province in the coming few days.

The Saudi Public Transport Company (SAPTCO) will hold a special ceremony for the occasion, attended by Eastern Province Governor Prince Abdul Majeed ibn Jilwi. The ceremony will be attended by Sheikh Hussein Mansouri, the minister of communications and chairman of the board of SAPTCO.

The company general supervisor, Abed

Abdul Rahman Asil, said that drivers received intensive training and have been properly acquainted with each area before operations start.

He said that a number of buses were delivered last Monday for the area. They will first operate a service covering Dammam, Al-Khobar, Dharan, Thaqab and Qatif.

Later on the rest of the province will be covered. That should take place in the near future.



PARTY: Saudi staff gave a dinner party Tuesday night in Jeddah for Sheikh Kamel Shadi (fourth from left), their outgoing director-general, and Capt. Ahmad Matar, (left), the new head of the airline. Shadi, who has been made assistant for civil aviation affairs to Minister of Defense and Aviation Prince Sultan, gave a speech thanking his former colleagues.

Ends Friday

Dutch display in Jeddah

By Alan Kenney

JEDDAH, Jan. 23 — The Dutch feel an increasingly discriminating Saudi Arabian market is increasingly discriminating in their favour. Hence they have 22 companies displaying their wares at the Chamber of Commerce here, an exhibition that ends Friday.

A representative of the Dutch Council of Trade Promotion, D.C. Kaakebeen is project manager of the Holland Trade Fair.

"We were invited by the Chamber of Commerce to come to Jeddah and promote our products as well as Holland," he said Wednesday. "We have 22 companies representing 108 types of products. We are trying to estimate sales, and right now they are up to about SR6 million."

"The boom is out of construction and the man in the street is ready to buy food by price level and quality," he said. Saudi Arabian businessmen have become interested in consumer goods.

At the fair cheese and dairy products, biscuits, cigar and fresh vegetables are more prominent than construction materials or services.

Kaakebeen says "this is the market where Holland can beat competitors. The image of our country is cheese, butter and wooden shoes. We have already sold 400,000 reels of cheese."

Holland will begin exporting five tons of fresh vegetables to the Kingdom every week

beginning this week. Dutch traders have found that their products are more expensive than others but they plan to sell on claims of quality.

One said that "naturally we are more expensive, but the difference is that with us there will be no waste. Now, most people have to throw away 50 to 60 per cent of their vegetables."

"There is an attitude among Saudi businessmen of effectively using the knowledge about things they have encountered in the past," Kaakebeen said.

"Saudi Arabian businesses want to know everything about a product. They are more discriminating than before and have learned from the past."

Kaakebeen said the Dutch have been invited to put on shows in Riyadh, Dammam and Dhahran.

Pakistani presents copy of credentials

JEDDAH, Jan. 23 (SPA) — The new Pakistani ambassador to Saudi Arabia, Al-Najm Al-Thaqeb Khan, Wednesday presented a copy of his credentials to Sheikh Salem Sunbul, the head of the Foreign Ministry's protocol department, before the official ceremony with King Khaled.

Saudi Comment

By Muhammad Omar Al Amoudi
Al Medina

High marks must be given to the Riyadh Bank for its programs of training Saudi Arabeans to take over the responsibility of running the bank and its branches. This is done by granting scholarships to promising young men at banking institutions abroad.

When the bank advertises for boys to be trained abroad at its expense it has no intention of gaining publicity or praise but is merely fulfilling a patriotic duty to train our nationals to do a good job in the service of their country.

This has been going on for quite some time and the bank should by now have an adequate number of well qualified officers. But we do not see many of them in the higher positions of responsibility, as we do in many other banks and national corporations.

Our fellow-columnist Abdullah Khayyat was quite right when he called some time ago for the real Saudization of companies and institutions which may have already been Saudized in name, by letting competent Saudis take over the highest positions.

Most government departments, led by the Labor and Social Affairs Ministry, appear to overlook the fact that most companies flout the important rule that their labor force must be 75 per cent Saudi Arabian and their combined wage packet at least 51 per cent of the total spent every month.

We should not distinguish between

nationals and foreigners except on the bases of skill and expertise. It may well be necessary to hire a German for the electricity company, but not for an Australian for the administration of a bakery.

By Abdullah Omar Khayyat
Al Jazirah

I received a letter from a reader in Dammam complaining of a grave absence of municipal services in the leading city of the Eastern Province. There is simply no municipal institution in charge of supervising the city, which has one of the most important ports in the Gulf. There is not even an outlet to the sea for the people to get a breath of fresh air, the reader said.

The municipality says that the abortive promenade project is the stumbling block in the way of building access to the sea.

But this is not all. The city is full of trenches and potholes, a singular absence of maintenance and cleaning although the municipality has machinery and equipment enough to do the work well.

It has awarded a company a contract to clean up the city, but the company does not seem to care sufficiently about carrying out its job. The result is heaps of garbage all over the place. Shopkeepers are aggravating the problem by throwing their refuse into the streets, apparently with impunity.

The mayor of the city should tour the streets, especially the car park at King Abdul Aziz Street or the street connecting with King Faisal Street. He will realize the gravity of the situation and the inadequate services of the municipality.

Arrive in Dammam

Swiss cyclists cross Peninsula

By Joseph Elstayer

Curiously, the cyclists ended up overweight. They were going to see a doctor for a check-up.

The party is due in Jeddah Friday morning on their way back home to Geneva.

Mansouri to attend Hijaz Railway talks

RIYADH, Jan. 23 (SPA) — Minister of Communications Sheikh Hussein Mansouri will leave for Amman Saturday to attend meetings of the Tripartite Committee for the re-commissioning of the Hejaz Railway. Meetings begin there the same day.

The minister of communications and transport of Jordan and Syria will join Mansouri in the talks. They will examine the final report by the project's technical committee.

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Hussein blames 'known circles' for Muslim anti-Soviet stand

KUWAIT, Jan. 23 (AP) — King Hussein of Jordan said Wednesday he was against attempts to "fiercely and foolishly" rouse Islamic sentiments against the Soviet intervention in Afghanistan.

The Kuwaiti daily newspaper *Al-Anba* quoted the king as saying in an interview that "known circles" were making the attempts "without consideration, feeling, true understanding and sincere denunciation of the open and violent aggression against Muslim and Arab brothers in the West Bank and Jerusalem."

"I would like to tell them that Palestine and Jerusalem are equally, if not more, important to Arabs and Muslims than Islam's cause in Afghanistan," the king was quoted as saying.

Observers believe the king's criticism was directed against the United States.

The king said Jordan would tell the Islamic foreign ministers conference in Islamabad, later this week, that "if you want to deal with the Soviet invasion of Afghanistan, then come and deal with us with the Zionist invasion of Jerusalem."

"There is blood there and blood here. Arms there and arms here. Aggression there and aggression here," the king added.

The king said some big powers had hoped that by inciting the Islamic world to revolt, the revolt would move to Afghanistan to face the Communist regime in Kabul, "and maybe even beyond the iron curtain."

But he said the Soviet Union seemed to

understand the game and "moved quickly into Afghanistan."

"The result has been the blood we see in Iran and the occupation in Afghanistan," he said.

Hussein warned that the situation would be even worse "when the actual struggle for oil starts, and when the Soviets decide that the hour had come to retaliate against the economic, political and military rapprochement between the United States and China."

Hussein said he was not willing to try his hand at mediating for the release of the American hostages held at the U.S. embassy in Tehran, but said he was worried for what had happened and what might happen in the future.

"The holding of hostages is unacceptable by international law and by our Islamic tradition and morals. We are sure that this act will badly hurt Iran," he said.

"But there is another side to the coin. We have one and a half million persons held hostage by occupation authorities in Jerusalem, Gaza and the West Bank," he added.

Hussein said he might meet U.S. President Jimmy Carter's envoy Sol Linowitz in London, but that he has nothing new to convey regarding Jordan's position on Middle East peace efforts.

"I will tell Mr. Linowitz what I have already told (President Carter, Vance, Brezhnev and Strauss)," Hussein added.

Chinese minister urges West to resist Soviet aggression

ISLAMABAD, Jan. 23 (AP) — Chinese Foreign Minister Huang Hua left Karachi Wednesday after admonishing the United States and Western countries to make Afghanistan "the vanguard of struggle against the Soviet Union."

Huang was in Pakistan for five days during which he discussed the Soviet intervention in Afghanistan and its implications for the region with Pakistan's president, Gen. Muhammad Zia ul-Haq, and Zia's foreign affairs adviser, Agha Shahi.

"Afghanistan should be made the vanguard of the struggle against the Soviet designs, and this struggle should not be brought outside Afghanistan," Huang told reporters in Karachi.

Huang asserted that Soviet troops were positioned within a few kilometers of the Khyber Pass, the historic invasion route linking Pakistan and Afghanistan. This poses "a danger to the whole of the Asian subcontinent," Huang said.

"Moscow has a far deeper aim," Huang added. "It wants to thrust toward the Gulf to control the Indian Ocean and the oil-producing countries. Such a thrust will cripple the life-line to Europe, Japan and America. Moscow wants to outflank and encircle Europe and isolate America. Later

on, it will destroy Europe also."

"What is needed is to resist the Soviet aggression in Afghanistan, through a united approach by the freedom-loving countries of the world. The Soviet expansionism should not be accepted as a fair accomplishment and should not be legalized," he said.

"The Soviet expansionism has threatened peace in the Gulf, in South Asia and in Asia itself. It has put at stake the world peace."

On aiding Pakistan against the Soviet threat, the Chinese leader said "We do not need to consult Washington or Europe."

That was also his reply when asked if Peking will favor joining a consortium with the United States, Europe and Middle East countries to provide Pakistan with military assistance.

Huang said that Pakistan needed "genuine assistance, commensurate with the threats" and said he was disappointed with the response from the United States and Western Europe.

"I feel sorry that the response from the Western Europe, and the United States, so far has not been adequate to meet the situation effectively," Huang said.

Zia has said the U.S. offer of \$400 million in military and economic aid is "peanuts."



IN LONDON: King Hussein of Jordan arrives with his daughter at Heathrow Airport Saturday for a private visit to London. The king was due Wednesday to hold talks with British Prime Minister Margaret Thatcher on Middle East developments and other major world issues, officials said.

Jordan premier arrives in Syria for talks

DAMASCUS, Jan. 23 (Agencies) — Jordanian Prime Minister Sherif Abdul-Hamid Sharaf arrived in Damascus Wednesday for talks with Syrian President Hafez Assad and Prime Minister Abdul Rauf Al Kasim.

Officials said the talks would cover coordination between Jordan and Syria on the Middle East and the normalization of relations between Egypt and Israel.

They would also discuss bilateral relations and mutual cooperation as well as joint action on Arab and international levels.

Sharaf was accompanied by Ministers of State Marwan al Qassem and Hassan Brahim.

In another development, Assad Tuesday told visiting Prime Minister Maurice Bishop of Grenada that imperialism was trying to mislead people by exploiting religion. Bishop arrived in Damascus Monday for a three-day official visit.

Official sources said Assad spoke of the "rabid campaigns by imperialism, which involved religion to mislead peoples."

Assad said the campaigns were well-disguised because American imperialism, while pretending to be concerned over Islam in Afghanistan, was adopting a hostile attitude to the Islamic revolution in Iran and backing Israel's occupation of Muslim sacred places.

Assad said the United States was trying to secure alliances in the region after finding it had been "mistaken in assuming that the Egyptian-Israeli peace treaty would ensure its domination of the area."

Moroccan premier leaves for Gabon visit

RABAT, Jan. 23 (R) — Maati Bouabid, prime minister of Morocco and minister of justice, left Wednesday for a four-day tour during which he will visit Gabon and the Central African Republic.

Ethiopian jets strafe Somali town

MOGADISHU, Jan. 23 (R) — Ethiopian jets strafed and bombed the Somali border town of Goldogob north of here Tuesday killing nine persons radio Mogadishu said Wednesday.

The radio added that 24 persons were injured and property damaged in the evening raid by the two fighter-bombers. No further details were available.

Bomb explodes in western Beirut

BEIRUT, Jan. 23 (Agencies) — A bomb exploded in an empty bus in the western sector of Beirut Tuesday night, but no casualties were reported, police said.

Elsewhere, reports said an Israeli army patrol crossed into southern Lebanon Tuesday and blasted a house in the village of Yater. One report said the patrol was guided by rightist militiamen when it launched its pre-dawn attack across the U.N.-controlled sector of southern Lebanon. The report said the Israeli patrol withdrew shortly after demolishing the house.

League ponders envoy to Austria

VIENNA, Jan. 23 (R) — Arab League Secretary General Chadli Klibi Tuesday held talks with the Austrian Foreign Minister about the possibility of stationing a representative of the Arab League in Vienna. "Talks have been going on for a few months about it, and we have good

Arrested extremist dies of injuries

CAIRO, Jan. 23 (AP) — The leader of an extremist Muslim group arrested in connection with two bomb explosions in churches of the Mediterranean city of Alexandria, died in hospital Tuesday from injuries sustained during a gunfight with the police, the official Middle East News Agency said.

Assad said the United States was trying to secure alliances in the region after finding it had been "mistaken in assuming that the Egyptian-Israeli peace treaty would ensure its domination of the area."

The deceased, Ali Mustapha Maghrabi, belonged to the radical Al-Jihad organization which police have said sought to establish a "new Islamic community" and foment sectarian unrest between the Christian-Coptic minority and the Muslim majority.

MADRID, Jan. 23 (R) — Greece wants a fresh initiative from United Nations Secretary General Kurt Waldheim to solve the long-standing Cyprus problem, Greek Foreign Minister Georgios Rallis was quoted Tuesday as saying.

Rallis, on an official visit to Spain, told the Madrid newspaper *El País* his govern-

ment regretted the lack of progress in negotiations between Greek and Turkish communities on the divided island.

"Greece wants the secretary general of the U.N. to take an initiative aimed at renewing the dialogue between the communities," Rallis said.

Greece wants new bid on Cyprus

ment regretted the lack of progress in negotiations between Greek and Turkish communities on the divided island.

"Greece wants the secretary general of the U.N. to take an initiative aimed at renewing the dialogue between the communities," Rallis said.

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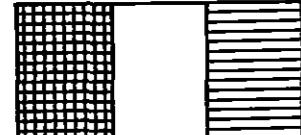


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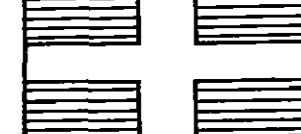
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The visit of Queen Victoria's granddaughter to Jeddah

Editor's note: In 1938, Princess Alice, Countess of Athlone, the last surviving granddaughter of Queen Victoria, visited Saudi Arabia with her husband, Lord Athlone. The following is the account sent to the Foreign Office by Britain's envoy here, Sir R. Bullard.

Ir. R. Bullard to Sir L. Oliphant — (Received December 21.)

My dear Oliphant,

Jedda, March 8, 1938.

WHEN you see the enclosed programme of the visit of Her Royal Highness Princess Alice you will realise to what extent we exploited her kindness. The programme was a little fuller than I had expected owing to the fact that after I had drawn up an agreed list of engagements with Fuad Bey and sent it to Egypt for the approval of Her Royal Highness, the King decided to give a dinner and the Governor of Jeddah a picnic.

Let me run through the list of engagements and tell you what happened. My letter may be on the long side, but it is better to tell too much than too little.

Sheikh Hafiz Wahba and the Governor of Jeddah followed me on board H.M.S. Enterprise to greet the visitors, and on the quay the Amir Faisal received them. This reception may appear among the news items at the cinemas, as the Egyptian sound-film people who had come to film the Pilgrimage seized the opportunity to take pictures of the visitors' arrival and their meeting with the Amir. Other moving pictures were taken at Ibn

nass was sitting. She talked for a time to the Amir, with myself interpreting — all about the grass on the desert and the migration of tribes, and the goat and its ways, and the inferiority of the goat tribes to the sheep and camel tribes. Her Royal Highness then had various Saudi notables brought to her in turn, and, with Sheikh Hafiz as interpreter, maintained the animation to the incredible hour of 10:28. Only about a week before we had been to dinner with the Amir Saud, and had left, to his relief or at least without protest on his part, at 9:10. When the Amir had said good-bye to Her Royal Highness and Lord Athlone and turned to shake hands with me, he was obviously moved, and could not speak the usual words of farewell.

Ibn Saud was very happy at his tea-party. He had never entertained a European lady to a meal before; he had never met a foreign lady of rank; and he did not know in the least how to manage the cakes and things that were piled on his plate; but his remarkable natural manners carried him through not only unmoved but with perfect dignity. He explained at the beginning that he was bound to make many gaffes from the English point of view, but since the house was the Prince's house she would, he said, never notice them. In his struggle with a piece of iced cake he dropped his fork, and he just sat patiently while the servants cleared away first the fork and then the victorious cake. He was in good form, ragging Fuad and Yasin for being fat, and for getting horribly seasick when he took them on the Persian Gulf. Sheikh Hafiz pro-

tested and Lord Athlone standing side by side.

The Kaimakam of Jeddah had organised a great picnic "with fishing," for the afternoon of the fourth day, at a place some 20 miles from Jeddah. Unfortunately, we allowed ourselves to be guided by Sheikh Yusuf Yasin, who tried to make up for an absence of a sense of direction by dashing over every kind of ground at full speed, and arrived rather late. But it would in any case have been too late to allow of fishing, since the sun sets early by local time and everyone wanted to get home in daylight. The Minister of Finance, Sheikh Abdullah Suliman, who is a confirmed fisherman, had intended to fish all day and to arrive at the picnic with his catch. He alleges that he made a good haul but he did not reach the rendezvous until all the guests had left. For this he was much ragged by the Amir Faisal at a dinner which I gave at the Legation that night. I was afraid that at my dinner Her Royal Highness, who had the Amir on one side and Sheikh Abdullah Suliman on the other, would be fatigued with the conversation, but I placed Mr. Philby in a strategic position and myself talked across the table a good deal to the Amir, translating for the benefit of Her Royal Highness, and the result was, I hope, not to tiresome for her. By luck we hit upon a subject which interested the Amir and caused a great flow of conversation — the Yeren habit of chewing a leaf *qat*, which has an effect like that of hashish. The Amir described how, when he captured Hodeidah in the w^g with the Yemen, he was unable to maintain the blockade of the highlands which he had contemplated because they are the source of the supply of *qat*, and without *qat* the whole population would have left the town; and gave a description of the arrival of the daily caravan crying *qat* (just as a hawker in London cries oranges) and of the people rushing out to replenish their stocks.

At the picnic that afternoon it had been realised that the King's favourite wife, Umm Mansour, from whom the presents for Her Royal Highness had nominal come, was in Jeddah, and negotiations were set on foot for Her Royal Highness to pay her a visit. Unfortunately, it was already evening, and the only possible time for a meeting was the next day, before the departure for Riyadh. Lord Athlone expressed great pleasure at hearing about this extraordinary military feat from the chief actor in it.

On the morning of the fourth day Lord Athlone was to see Ibn Saud at 11. We were on the point of setting out when a train of men arrived with presents. There were Arab robes for the whole party, and in addition —

For Her Royal Highness : An elaborate pearl and emerald necklace and a handsome ornament or (Arab ?) work consisting of chains of flat gold links.

For Lord Athlone : A sword of honour, with an embroidered "bucket" to carry the sword and a rifle from a camel saddle.

For Lord Frederick Cambridge : A dagger.

For Mme. Boutet : A watch.

I am sending home by bag, as enclosures to separate letter, the two ornaments presented to Her Royal Highness and the sword of honour.

Her Royal Highness kindly consented to receive the Moslem ladies of the British community, who have to observe strict purdah in this country, and therefore could not attend any of the public functions, and the reception was arranged for her last morning. The hearts of some of the ladies invited failed them at the last moment, and only six or seven appeared. One or two of the ladies were Indians, but most were of Hebrew or other Arab origin. Mrs. Ousman, the wife of a member of my staff, acted as interpreter in Arabic. I hear that the ladies who had the honour of being received had a wonderful time, and I am sure that they will never forget the gracious princess who told them about Their Majesties King George and Queen Elizabeth and their children.

Meanwhile, Lord Athlone and I had been

to see the King. There had been some fear lest he should try to talk politics, but either the fear had been exaggerated or the measures taken to avert the possibility had been successful for there was no reference to politics. Lord Athlone began by apologising for being a little late; the magnificent presents sent by His Majesty had arrived just as he was setting off, and he could not go without looking at them. "A very cheap thing," said the King. Lord Athlone then gave Ibn Saud a personal message from His Majesty King George, which obviously gave him great pleasure. Ibn Saud was also pleased when Lord Athlone told him about the effort that was being made to increase the facilities for Arabic studies at the School of Oriental Languages, and said that after his visit to Saudi Arabia he would support the project with renewed vigour, in his capacity as Chancellor of London University. The rest of the conversation was general. Lord Athlone took his leave after a cordial talk of an hour or rather less. Before he left, the King allowed Sheikh Hafiz to take several photographs of himself.

That same evening a reception was given at the Legation to a considerable number of Saudi officials and notables (headed by the Amir Faisal), nearly all the Diplomatic Corps, and the leading members of the British and other foreign communities. Having already met the Saudis and the British, Her Royal Highness was able to talk to the ladies and some of men of the foreign official and non-official communities, and to leave them, as I have reason to know, full of pleasure and admiration. Lord Athlone, too, was most kind in talking to as many of the guests as possible. The Amir Faisal left early, with a graceful reference to the greater freedom (i.e., to smoke and to drink something other than lemonade) which would, he suggested, be felt after his departure.

The third day began with a departure at about 11 o'clock for a picnic at Wady Fatma, about half-way to Mecca. It had rained heavily the night before, and although, owing to the long drought, the rain was welcome, we feared that it might be too wet for the picnic. However, on ringing up the Ministry for Foreign Affairs, we found that the Amir Faisal, who was giving the picnic, had already gone out to the spot, so we also set out. Fortunately there had been less rain inland, and at Wady Fatma there was even some sun. The picnic had been organised on an immense scale. There was a huge reception tent, and the lunch was spread in another tent. The food, most of which was done in the Arab style, was excellent. After lunch the guests, who included many foreigners, strolled about for an hour or so, during which time the Amir and the other Saudis said the afternoon prayer. Mr. Philby was present, looking slightly absurd with very pink feet in sandals where all the Saudis were wearing socks and shoes or slippers, but he was very interesting on the topography of the place. He had brought with him the maps of the locality which he had made, and he pointed out the hills round Mecca, and explained how they lay in relation to the town. The journey to and from Wady Fatma lay over a very bad road, much cut up by pilgrim traffic, but the car provided for the visitors by the King, a Dodge, was very comfortable, and they declared that they were not fatigued. This was fortunate, as they were to dine with the King that night.

Arab dinners are not very bright as a rule, but they are short. The Amir Faisal's dinner, however, was exceptional in being long and gay — thanks in both respects to Her Royal Highness. It was also exceptional in that ladies were invited. Besides Her Royal Highness there were five ladies present — three British, one American and one Dutch. The dinner, which was very good as a meal, was followed by Arab coffee, and soon afterwards Her Royal Highness, having learned that it was the custom for visitors to leave early, made a movement towards taking leave. The Amir Faisal, however, so evidently hoped that she would stay longer that she sat down for perhaps another forty-five minutes. And a most animated forty-five minutes they were. I have never seen such animation at any function in Jeddah. It seemed to radiate from the top of the room, where Her Royal High-

woman of the many meetings. I have found that Arabs are always pleased to find points where they and we are alike, and I think that the Saudis were pleased to find that the English, like themselves, manage to combine respect for rank with feelings of human equality. I have just been to see the Governor of Jeddah to thank him for all he did for the King's guests and he discussed on this theme. It is not possible, we agreed, giving the size of the population of Great Britain and our system of government, for any person with a grievance to walk into the presence of His Majesty King George, as within limits he can approach Ibn Saud on certain occasions, and to say "O George, grant me this!" But the kind way in which Her Royal Highness talked to all whom she met, without distinction, showed, the Governor held, a lack of arrogance and a respect for man as man such as is held by the Arabs, whether sheikhs or other rulers or common men. It was evident that the King felt at home from the first moment, and that he realised that he had met in his visitors, for all their close connexion with the British King-Emperor, that simplicity and sincerity of character which are among his own most striking qualities. But I will not labour the point. The King was already well disposed towards us, on personal and — except for one melancholy subject — on political grounds, and this visit has set the seal on his liking. It seemed to me that he found in the visit the confirmation of his convictions that, as he said to me once, the English are the best people. If anything could turn the scale with Ibn Saud if the Palestine trouble becomes desperate, it will be the memory of Her Royal Highness's visit.

Yours ever,
R. W. BULLARD.

Enclosure

Visit of Her Royal Highness Princess Alice and the Earl of Athlone to Saudi Arabia.
Programme at Jeddah.

February 25.

(1) Her Royal Highness and Lord Athlone, accompanied by Lord Frederick Cambridge, arrived in H.M.S. Enterprise. Met on board by His Majesty's Minister and by the Saudi Minister in London and the Governor of Jeddah.

(2) Reception on the quay by His Royal Highness the Amir Faisal.

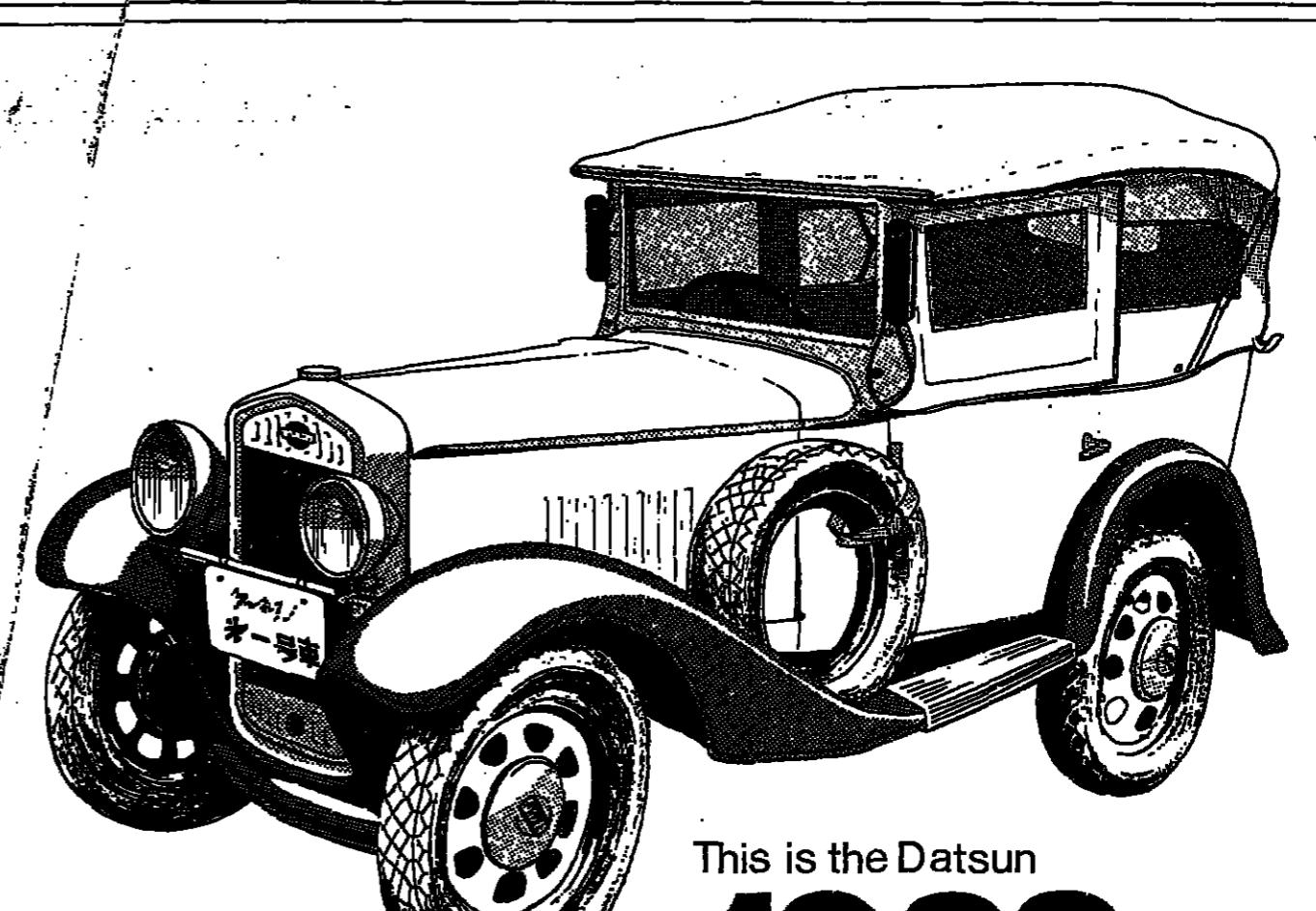
(3) British residents presented to Her Royal Highness at His Majesty's Legation.

(4) His Royal Highness the Amir Faisal gave a dinner in honour of the visitors.

February 26.

(1) His Majesty King Abdul Aziz entertained the visitors and His Majesty's Minister to tea. This was the first occasion on which the King ever received a European lady in his own house.

(2) Reception at His Majesty's Legation.



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Mr. Erich Jungwirth-Germe National holder of passport No. 7760499 who was under our employment sealed his contract and was reported on January 13, 1980. Apone wish to employ him should be aware of Saudi Regulation.

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OUTRIGHT CONFRONTATION

The new developments on the international scene are causing everyone to re-examine their policies and strategies. It is clear that many of the assumptions on which these were built in the Seventies will not hold for the Eighties. The age of detente is definitely over — perhaps for a long time. The superpowers are reverting to the older policies of outright confrontation; the give and take of detente, the covert or tacit agreements which defused many a crisis and preempted others will now give way to constant demonstrations of strength and threats of its use.

The first task of smaller states at such times is to close their ranks against being used as pawns in the game of the superpowers. The Soviet invasion of Afghanistan has shown that direct, armed interference in the affairs of independent countries is now on the cards. To prevent this, smaller states have to strengthen themselves internally and act in concert with others to show the potential aggressor that the price of such high-handed acts will be too high.

The Arab countries are in an especially dangerous situation. The common immediate enemy, Zionism, has already succeeded in isolating Egypt from the rest of the Arab world. Soon the "normalization" of relations between Egypt and Israel will set the seal on Egypt's defeat. The Zionists consider this only a first step. Other countries will be brought to their knees in due course — or so they hope — so that the demand for Palestinian rights is finally stilled.

In addition to this, the invasion of Afghanistan has shown that another source of danger is now active. But neither this nor the Israeli danger has been sufficient to arouse the Arab governments to a firm, united action. Inter-Arab disputes are still the main concern, or so it seems, so that the impending external danger is all but forgotten.

The Tunis summit represented an attempt to unify the Arab approach to the Camp David "peace process", in continuation of the effort started at the Baghdad summit before it. It is of course too early to judge the effects of the Tunis agreements — although the indications are by no means encouraging. But whatever the case, a new summit is now made necessary by the Soviet invasion of Afghanistan, as well as the approaching "normalization" between Israel and Egypt. On each of these two vital issues, the Arab side simply cannot afford not having a unified policy.

saudi press review

Newspapers led with different stories Wednesday. *Al Jazirah* played as its lead Foreign Minister Prince Saud Al-Faisal's hope that "the Muslims will succeed in confronting the plots being hatched against them". *Al Medina* said in a lead story that the International Monetary Fund (IMF) has received complaints from a number of Arab states against the Egyptian government's decision to freeze their assets. Crown Prince Fahd's approval of the contract for the first portion of the SR 4 billion Riyadh ring road appeared as the lead story in *Al Riyadah*.

Oka expressed the view that newspapers commented on the Islamic Foreign Ministers' Conference must be supported if the Islamic states wanted to protect Islamic interests. The conference is being held at an extremely delicate time when the Islamic nation is exposed to many threats, it said.

In an editorial, *Al Medina* referred

to the Council of Ministers' concern over the situation in Afghanistan and its deep interest in the forthcoming conference of the Islamic Foreign Ministers. The paper said the concern was natural since the ordeal of the Afghan Muslims concerned every Islamic country, especially Saudi Arabia which attaches extraordinary importance to the affairs of the Islamic world. The conference would be a serious test of the extent of the members' belief in the significance of Islamic solidarity. If the conference adopts tangible decisions, it would give general translation to the Islamic world's adherence to the principle of total sovereignty and independence. The paper hoped that the conference would benefit the independent states and those remaining aloof from international blocs, the paper added.

Dealing with the Palestinian stance on the Islamic Foreign

Ministers' conference, *Al Jazirah* said in an editorial that the PLO's quiet attitude toward the Soviet invasion of Afghanistan was not in keeping with the faith and principles of the Arab and Muslim people of Palestine. It said further that the PLO's boycott of the Islamic Foreign Ministers' conference seemed to show little justification and contradicted the PLO's commitments toward the Organization of Islamic Conference (OIC).

The paper said that the PLO's friendship with the Soviet Union must not be considered more important than its membership of the OIC and its fundamental commitments toward the Islamic faith of the people of Palestine. The absence of PLO or any other Arab state will not stop the convening of this conference, but their participation would have certainly given weight to its resolutions and highlighted solidarity of the Islamic nation, the paper

said.

It strongly urged the PLO to reconsider its stance on the Islamic conference and further appealed to all Arab and Islamic states to take active part in it.

Dwelling on Israel's economic difficulties, *Al Riyadah* said Israel's economic crisis would not end unless Begin's government was toppled or a situation exploded inside Israel in the absence of America's continuous support.

The U.S. is likely to review its policy in the region, especially after the deadlock in Camp David accords. It would indeed be a loser in the end, for anbet on the mirage could not bring anything but loss, it said.

As for Egypt, the paper said, the area of its isolation has further widened and added, an implied reference to President Sadat, that his fate would not be different from his "cousin", with only a difference in time of the fall.

Carter clutches at straws

By Anthony Holden

WASHINGTON

A curious insight into the current conduct of U.S. foreign policy is available here recently, unlikely though it may seem, in the shape of a broadening beam upon the life of Britain's former prime minister, James Callaghan.

After lunch with President Jimmy Carter in the Oval Office, Callaghan revealed some of the advice he had tendered. The president should be sure to telephone his congratulations to Mrs. Gandhi before Brezhnev thought of it. He should say how wonderful it was to a peaceful and legal transfer of power in the world's most populous democracy, and add how proud his father would have been.

Carter wrote it all down. "He's going," confided a delighted Callaghan. "To do it first thing in the morning."

That evening, at a solo soiree at his daughter's Washington home, Callaghan disappeared for half-an-hour. He returned in a state of palpable excitement, so great that he was evidently bursting to tell the first person he saw — which just happened to be your correspondent. "I've just had 30 minutes on the phone with Malcolm Fraser. I think we've made a lot of progress there."

Callaghan, it transpired, doesn't know the Australian prime minister too well. Callaghan had been volunteered to have a quiet word, tell him what was going on, and make sure he wasn't going to sell any grain to the Russians. A heady atmosphere of international statesmanship had overtaken Callaghan's trip across the Atlantic to see his daughter.

The episode is recounted not so much about Callaghan as about Carter. In what he is described as "a crisis more likely to provoke war than anything since World War Two", the president is reacting in a piecemeal, day-to-day fashion, clutching at any straw the likes of Callaghan may cast him. In foreign policy, as in energy, inflation and the other major issues before his administration, he has no grand strategy, no practical philosophy.

He is now having to work one out with some despatch. The elements so far apparent point to an abandonment of many of the major principles he brought to office.

He was "never" going to use food as weapon; now he has canceled grain shipments to Moscow. He would "demilitarize" the Indian Ocean; now he is stepping up the U.S. presence there. He would back arms sales and work for nuclear non-proliferation; now he is preparing to arm Pakistan, despite its ill-disguised nuclear aspirations.

He would never be a proponent of "linkage" between Soviet adventurism and strategic arms limitation. Now, specifically in response to the invasion of Afghanistan, he had asked the Senate to delay its debate on the SALT II treaty — primarily a gesture of political self-defense, anyway, as SALT was already down and about to be counted out on the Senate floor.

The emphasis on human rights which marked the beginning of Carter's administration, the talk of arms reduction and control of defense spending — all have been dispensed with in a good old-fashioned tooth-for-tooth response. So, it may transpire, has a decade of detente.

As it turns go, this one is given credit for its admirably restrained adjustment to circumstances. A substantial school of thought here, however, is horrified by the prospect of a return to Cold War tactics. Over lunch recently Senator William Fulbright, the distinguished former chairman of the Senate Foreign Relations Committee, spoke eloquently of the need for a decade of cooperation with the Russians, rather than continuing chain of combat, mutually damaging incidents.

Had this been Carter's policy from the outset — had he, indeed, had any coherent policy toward the Soviets besides jogging down the home stretch to a SALT signing — many believe they would not have risked such brazen intervention in Afghanistan. Carter's failure to ensure ratification of the treaty was also a precondition of the invasion.

The more Hawks regard this second new year crisis as the Soviet Union's comment on Carter's handling of the first. His tortuous lack of progress in securing the release of the Tehran hostages, it is argued, encouraged the Russians to expect an American response they could treat — as indeed they have — with contempt.

For evidence of Carter's naivete in international affairs, there is no better source than the president himself. "My opinion of the Russians," he said a week after the invasion, "has changed more drastically in the last week than in the previous three years." Republicans are making hay of Carter's self-confessed astonishment that Chairman Brezhnev could pick up the red telephone just to tell him a whopper.

The greatest worry about both crises is that they now seem destined to continue for the next several months of an election year. First, for Carter fans, the good news: the president will cruise toward renomination as he avoids any military response. Now the bad: this very fact, combined with the electorate's sudden recollection of the shrinking dollar in its pocket, will give his Republican opponent an upper hand. — (OFNS)

arab news



Afghanistan guerrillas fight on

By Brian Eads

JALALABAD, Afghanistan — "Do not be fooled by what you see here," said a weather-beaten old Afghan tribesman in the strange Scottish lilt of Afghans speaking English.

"The fighting is still going on."

I had just traveled the 60 miles from the Khyber Pass border post at Torkham and into Jalalabad. The city buzzed with activity. In the market place people haggled over fresh cauliflower, carrots and tangerines, camel trains ambled by.

Life looked much as it had six months before when I passed through, save for a large concentration of troops and armor and half-a-dozen MiG fighters to the east of the town.

Traveling the road back from Kabul the next day I got a taste of what the old man meant. Fifteen miles west of Jalalabad sullen Afghan troops waved traffic to halt. "Opposition action" was the curt explanation.

When the road reopened three hours later the nature of the "action" became clear. Muslim rebels had cut down 20 or so trees into a make-shift roadblock, then launched a brief raid on a power station on the outskirts of the town.

No significant casualties or damage were inflicted either side. But the message was clear. The Mujahideen were around and able to strike. It was a small taste of what Soviet forces are facing as they seek to strengthen their hold on Afghanistan.

I picture that emerged last week in conversation with Afghans in Jalalabad and Kabul, with rebel leaders and Pakistani military and civilian officials across the border in Peshawar, was of Soviet forces seeking to consolidate their position nationwide, entrenching themselves at strategic military garrisons, at main centers of population and along vital communication links.

The rebels, for their part, are harassing the Russians, where they can, but appear intimidated by the sheer might of Soviet hardware. "A Lee Enfield is no match for a T-54 tank," I was told.

Along the road from the Pakistani border to

Russian design is to control the world'

By David Kline

CHICAGO — The invasion of Afghanistan by perhaps 85,000 Soviet troops raises a profoundly disturbing question: Has World War III already begun?

The question is neither alarmist nor ridiculous. If responsible historians can now say that the first shots of World War II were fired as early as the Japanese invasion of Manchuria in 1931 — or certainly by the 1936 Italian conquest of Ethiopia — can we also be so disengaged tomorrow's world conflicts in today's developing crises?

If so, then the events in Afghanistan take on added significance, for behind Moscow's takeover of its southern neighbor many observers see a strategic plan for global domination.

Interestingly, some commentators in the United States press were taken by surprise by Moscow's actions. They had thought the Soviet Union would avoid getting bogged down, like America did in

Vietnam, in a counter-guerrilla adventure. History shows, however, that imperialist powers are bound by an overriding logic in their actions. Moscow is competing with Washington for control of spheres of influence, markets and resources.

As a sphere of influence, Afghanistan ranks quite high on Moscow's priority list. Though landlocked, Afghanistan is a Soviet base of operations in Southwest Asia and a stepping stone to warm-water ports in the Arabian Sea.

To be sure, there is more at stake than just the fate of Afghanistan's 15.4 million citizens. Afghan rebels interviewed by this reporter in October in Paktia province stated emphatically that they were fighting for world peace as well as their own independence. "We are fighting for all of you," asserted Said Ishaq Gailani of the National Front for the Islamic Revolution in Afghanistan. "The Russian design is first to control all of Asia, and then control the world." Indeed, there is evidence to support that view.

In the incredibly swift span of less than five years, the Soviet Union has amassed a cluster of pressure points that extends from the tip of Indochina across Central Asia down through the Arabian Peninsula and on to the African Horn. Today, Soviet forces or their surrogates, the Cubans and Vietnamese, operate over a huge arc of territory that is sometimes called the "Crescent of Crisis."

Vietnam, Laos and Cambodia, Afghanistan, South Yemen and Ethiopia — all are countries that have been placed under the Kremlin's umbrella since 1975.

Military analysts think the Russians are trying to stretch a net across the strategic Strait of Malacca (in the Indian Ocean), the Strait of Hormuz (in the Gulf) and the Gulf of Aden (which guards the entrance to the Red Sea and Suez Canal).

Political violence in Salisbury

By Paul Elman

SALISBURY — Gangs of thugs have launched a wave of political intimidation in Salisbury's black townships.

It has become dangerous to go out after dark because of roaming bands of youths hunting down supporters of rival political factions.

People in the townships say clashes have occurred nightly between supporters of Bishop Abel Muzorewa's United African National Council (UANC) and the two political wings of the Patriotic Front — Robert Mugabe's Zimbabwe African People's Union (ZAPU) and Joshua Nkomo's Zimbabwe African People's Union (ZAPU).

And ZAPU's decision to fight next month's elec-

tion itself as the country's Ayatollah Khomeini, and more progressive groups like the National Islamic Front of Afghanistan, led by Sayed Ahmad Gailani, an urban aristocrat who claims descent from the Prophet Muhammad, is a "Pir" and claims two million followers.

While most rebel leaders sport flowing beards and traditional baggy cotton clothes, Gailani favors a neat goatee and Western dress.

His analysis of the current situation and probable developments is perhaps the most realistic. "We cannot defeat the Russians on the battlefield, but we can make it so uncomfortable that they sit down and talk about a political settlement," he said.

"The geopolitical realities of Afghanistan dictate a compromise with the Russians," he added.

Conversation with ordinary people both here and in Kabul serves to confirm rebel claims that the Soviet invasion has indeed galvanized many previously indifferent Afghans into a fierce will to resist.

A few months ago rebel claims to have a total of 150,000 armed Mujahideen would have sounded absurd; now it seems credible.

Taffy Morris, on his drive to Kabul passed through what he described as "ghost towns" with a few hundred inhabitants where before there were thousands. The flight has been to the rebels.

But the crucial fact remains that they are ill-trained and ill-trained to resist the relentless installation of a Soviet garrison force throughout their country.

Community News

By Raana Siddiqi

JEDDAH — Boxing fans in Jeddah will be thrilled to know that Mohammad Ali is expected in the Kingdom shortly. Informed sources say that the all-time great who can still "dance like the butterfly, sting like the bee" is due here in February as guest of Toyota dealer Abdul Latif Jamil. The boxer has recently signed a contract with Toyota for their publicity and his face already adorns many posters advertising Toyota cars. Perhaps he may be persuaded to go through a few rounds in the ring during his visit. Arab News will keep you posted about details of the champ's visit.

Henk Prouk, the new General Manager of Saudi-Dutch Bank and his wife Anneke are no strangers to Saudi Arabia. Henk had previously served at the same Bank in Jeddah as well as its Regional Manager in Dammam. The Prouks, while waiting to move in their new house are busy looking up old friends and making new acquaintances in Jeddah.

The round of farewell parties continues in the diplomatic corps, this time for Serferaz and Ugur Ergun of the Turkish Embassy who are due to depart for Geneva, their next assignment, at the end of the month. The daily routine of their goodbye parties, especially at the homes of "gourmet cooks", since Serferaz belongs to a Gourmet Club, are delicious. The Erguns who have been there for just under two years, will be greatly missed.

KIOSK Goings on about town

Jeddah

Thursday, Jan. 24

Gottfried Schneider and Karl Betz give a violin and piano concert at the Continental School across from the British Embassy at 8:30 p.m. Tickets, available at the door, are SR25.

Thursday, Friday, Jan. 24, 25

The last two nights of "Pure as the Driven Snow" put on by the Off Runway Players of the New Jeddah International Airport. The show opened Wednesday at the Hochzeit Camp Theater. Tickets, at SR15, are available at the two Al Maktaba stationery stores in Jeddah.

Monday, Feb. 4 through Thursday, Feb. 7 The Jeddah Light Opera Society opens in Die Fledermaus, by Johann Strauss. Tickets, at SR25 for adults and SR15 for children, are on sale at the British Embassy from 4:00 to 6:00 p.m. Curtain time at the British Embassy Stage is at 8:00 p.m. The Society still welcomes orchestra members and is in particular need of violinists, clarinetists and percussionists. Orchestra rehearsals are on Wednesday nights at 7:30 p.m. at the British Embassy Stage.

Riyadh

Saturday, Jan. 26

Gottfried Schneider and Karl Betz give a violin and piano concert in the Banquet Hall of the Intercontinental Hotel at 8:00 p.m. Tickets are SR30 and are on sale at the hotel, Citibank and the King Faisal Specialist Hospital.

The silk-painting exhibition by Danièle Jarolimek has been postponed until Feb. 2 through Feb. 9 at the Riyadh Saudi Art and Culture Center.

Dhahran

Thursday, Jan. 24 through Thursday, Jan. 31

The exhibits of the Islamic Architecture Conference remain open to the public. Daily 8:30-2:30 in the architecture building, King Faisal University, Dammam.

Entries are now being accepted for the B.A.C. Sailing Club Regatta. For further information call Pete Garratt 8794106 or John McConnell 8093136. The race is open to any interested sailor.

Thursday, Jan. 24

The Cardiff Trade Mission is at the Al-Gosaibi Hotel. 11 Welsh and English companies are represented. 9 a.m.-5 p.m.



The end of an American dream

By Pamela G. Hollie

NEW YORK — Virtually overnight, the American dream of owning a house became a fantasy. The Federal Reserve Board's action last Oct. 6 to tighten credit put the brakes on a housing boom that, despite high prices and higher mortgage rates, helped to fuel the inflationary economy of the later 1970s. And it may have marked the beginning of the end of this country's post-World War II pattern of living — the tradition of house ownership for middle-income and lower-middle-income families.

The housing picture for the 1980s contains more than the somber tones of unattainable consumer expectations. The United States faces a disrupted housing market, with grim predictions of lower housing starts and shortages of housing, particularly in the South and West. In the early 1980s the gap between those who are rich and those who are not, will widen.

"The time has come when those who have a house cannot afford to move and those who don't have one may never be able to get one," said Roger Mack, senior social economist for SR1 International, formerly the Standard Research Institute.

Already, many young couples are finding it next to impossible to buy a house.

"We have been renting for seven years and we finally thought we had enough to get the monthly payments down to a tolerable level," Stephen Stuart, a 34-year-old computer operator in Oklahoma, said. "Then the rates

began to go up and, even though we borrowed from our parents, we couldn't qualify because the rates kept going up. Now even if they come down, the house prices won't come

For Americans between the ages of 25 and 37, the good life is now out of reach.

down that much and we'll still be unable to qualify."

Obtaining any sort of house has become a costly and difficult task. According to Jay Janis, chairman of the Federal Home Loan Bank Board, only 15 per cent of potential buyers can meet today's typical monthly payments. To qualify for a \$65,000 mortgage carrying a 14 per cent interest rate, family would have to earn more than \$45,000 a year.

Moreover, the willingness of lenders to make mortgages has been severely curtailed, particularly in states such as New York, Texas, Missouri, Maryland and New Jersey, where laws limit the amount of interest they can charge to 10.5 per cent or less.

Since 1973, mortgage interest rates have fluctuated within a wide range. They dipped to as low as 8.5 per cent in 1976 and soared to

an unprecedented high of 14 per cent in 1979. Toward the end of last year, however, rates began to show a slight downward turn. California savings and loan associations, which tend to set the trend for the nation, began lowering their rates to 13 per cent at year's end. Still, lenders were not predicting that they would drop much lower.

"I will be surprised if mortgage rates ever enter double digits again," said John Williamson, executive vice president of the Gibraltar Financial Corporation in Los Angeles.

A generation of young Americans has inherited a curious set of economic conditions. For years, the large number of people who made up the postwar baby boom — those people who now are between 25 and 37 — encouraged demographers to predict radical surges in demand for everything from blankets to airplanes. But for that generation, which matured during the 1970s, the good life is now out of reach.

Until 1970, the United States had one of the lowest inflation rates in the world. Prices increased only 2.4 per cent a year between 1950 and 1970. In 1979, inflation threatened to rise above 13 per cent. Americans for the first time in a generation spent more on food, shelter and clothing than on recreation and nonessentials.

Americans must now spend 36 per cent of their income for housing, about twice as much as they did 10 years ago. Yet, there is not enough housing old or new, to meet their needs.

The National Association of Home Builders estimates that the number of new houses on which construction will begin this year will range between 1.1 million and 1.3 million. This compares with more than two million begun in 1978 and 1.75 million in 1979. The National Forest Products Association predicts that, if the current tight-money policy is sustained well into 1980, the homebuilding market will have a disastrous year.

In addition, the availability of apartments is not expected to increase significantly, particularly because of the growing trend toward the conversion to condominiums and cooperatives, a tactic that has reduced the supply of apartments, hitherto a lower-priced alternative to buying a house.

"Some areas will feel the squeeze earlier than others," said Mack of SR1. "The South and West are gaining population much faster than other parts of the country. So, in some areas, there may be no shortage at all, while in California the shortage will be severe. But if the availability is not the problem, then the price will be."

The difficulty of obtaining housing, plus its high cost, has changed the American living pattern. "We'll see some drastic short-run changes in life-style," said Anthony Downs, a senior fellow at the Brookings Institution in Washington. "One of the most obvious results has been the cutback in movement."

Because of the rapid growth of the Sun Belt in the last decade, real estate prices in the South and Southwest have appreciated at twice the rate of houses in colder climates. According to the Real Estate Research

Council of Southern California, the difference in the cost of single-family housing in California, compared with the rest of the country, has steadily increased since 1974, when the average single family house sold for \$37,800 in both Southern California and the country as a whole. In 1979, the country's average price rose to \$69,000, but the price of a similar house in Southern California averaged \$111,400.

This disparity has discouraged many Americans from moving. Jay Morrow, a Detroit engineer, said that he turned down a job in Los Angeles last summer because houses cost too much there. He said that a house in Southern California comparable to his \$70,000 house in Detroit cost nearly \$40,000 more.

Americans who already own houses have seen them appreciate by more than 100 per cent since 1974. Those who sold their houses before mortgage rates reached 10 per cent realized tremendous gains on their investment. If they bought more expensive houses, they paid no tax on their capital gain, and people over 55 were able to take a one-time tax-free gain whether they bought another house or not. But since mortgage rates soared above 10 per cent, sales have slowed and some Americans, sitting on a bundle of money, are finding it too expensive to get at it.

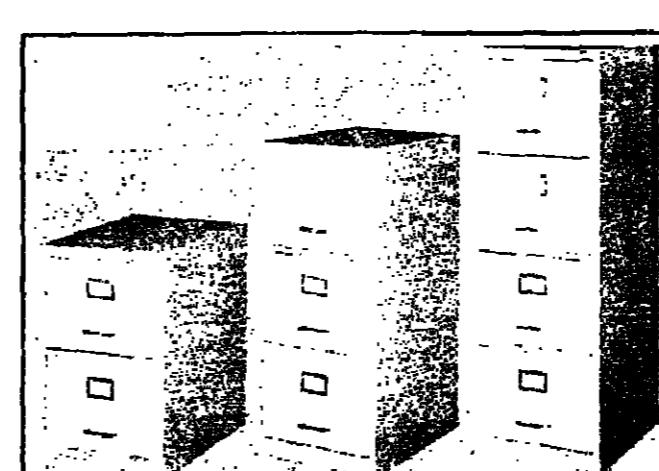
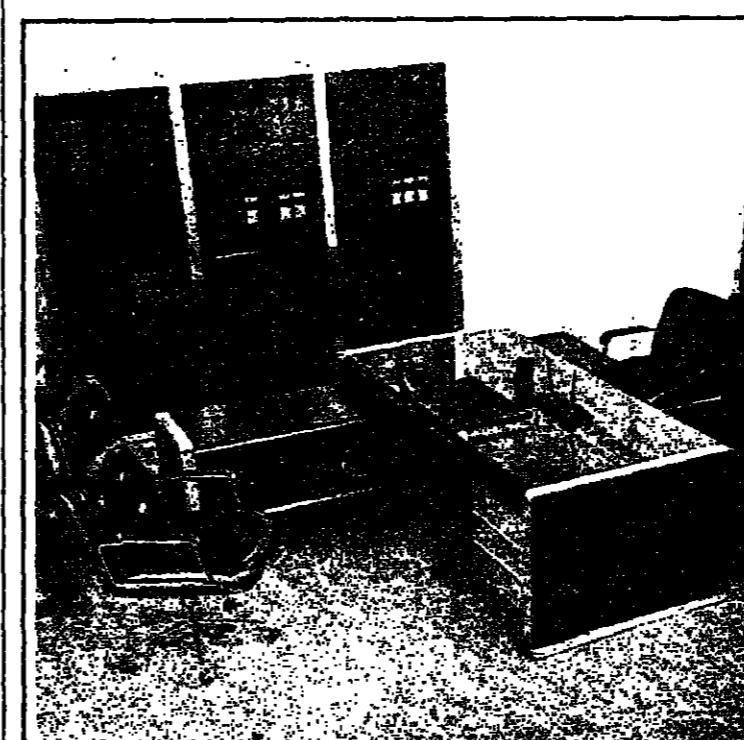
As one New York banker explained, "Refinancing means a larger mortgage. If mortgages are not available, the owner is stuck."

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U.S. leaders urge Olympics boycott

Soviet exiles plan rights rally for Berlin site

WASHINGTON, Jan. 23 (Agencies) — The Second Session of the 96th Congress has opened with a nearly unanimous call for a United States boycott of the 1980 Summer Olympics in Moscow.

There were at least three separate resolutions in the Senate and a seeming drumfire of speeches in the House of Representatives and Senate demanding the American athletes stay home in response to the Soviet Union's invasion of Afghanistan.

Senate Majority Leader Robert Byrd said "an overwhelming majority" of the Senate would support a boycott.

And House Speaker Thomas P. O'Neill said he hoped a resolution calling on American athletes to boycott the games could be approved by week's end.

One dissenter was the assistant Republican leader of the Senate, who accused President Jimmy Carter of using the Soviet actions in Afghanistan to obscure the continuing stalemate over the holding of American hostages in Iran.

Senator Ted Stevens of Alaska said that by calling for U.S. athletes to boycott the Moscow Olympics, Carter was "moving the peas under another shell."

"I'd like to hear more about the hostages and less about the Olympics," he said.

A boycott of the summer games, he said, would jeopardize the Winter Olympics at Lake Placid, New York, and the 1984 summer games scheduled for Los Angeles.

The three Senate proposals calling for a boycott came from Senators David Pryor, an Arkansas Democrat; Edmund S. Muskie, a Maine Democrat; and Lowell Weicker, a Connecticut Republican.

Pryor said, "For Americans to pay homage and give credibility to the Kremlin's concept of fair play would make a mockery of what we profess to believe and to practice."

Senator John Tower, a Texas Republican, chairman of the Senate Republican Policy Committee, said that while he supports an Olympic boycott he would also like Carter to order a total embargo on all industrial trading with the Soviet Union.

An Olympic boycott, he said, "is like hitting them in the face with a cream puff."

Carter has asked for the U.S. International Olympic Committee to pull out of the sum-



(UPI photo)
OLYMPIC HOTEL: An elaborate tourist-class hotel under construction on Moscow's Lenin Avenue to handle guests expected for the Olympic games.

icipation in the games.

In Paris meanwhile, a group of prominent Soviet exiles has called for a boycott of the Moscow Olympic games because of the Soviet human rights record. They said they wanted to hold a human rights rally on the site of the 1936 Berlin Olympics.

The exiles, including dissenters Vladimir Bukovsky and Alexander Ginsburg and Jewish activist Edward Kuznetsov, told a press conference they had created a committee, called "Rights on Man — Moscow '80," to campaign for a boycott. A number of Western and other Eastern European intellectuals had agreed to join, they said.

Pryor's resolution calls on the International Olympic Committee to try to have the Olympics moved to another site.

Failing that, he said there should be no U.S. team participating in the summer games.

The Carter Administration has been advised it has no legal authority to block par-

Soviet power, oil supplies, Third World Carter's principal foreign policy concerns

WASHINGTON, Jan. 23 (NES) — President Jimmy Carter in his State of the Union message to the U.S. Congress said that one of his "highest legislative priorities" is a new military and economic assistance program to help Pakistan strengthen its defenses.

Carter was to deliver a shorter State of the Union address to a joint session of Congress Wednesday night. The President said his address will be "devoted to a discussion of the most important challenges facing our country as we enter the 1980's."

Following are excerpts of the foreign policy portions of the president's 75-page State of the Union message.

From the time I assumed office three years ago this month, I have stressed the need for this country to assert a leading role in a world undergoing the worst extensive and intensive change in history.

My policies have been directed in particular at three areas of change:

— The steady growth and increased projection abroad of Soviet military power — power that has grown faster than our own over the past two decades.

— The overwhelming dependence of Western nations, which now increasingly includes the United States, on vital oil supplies from the Middle East.

The pressures of change in many nations of the developing world, including the year-old revolution in Iran and uncertainty about the future in many other countries.

As a result of those fundamental facts, we face some of the most serious challenges in the history of this nation. The Soviet invasion of Afghanistan is a threat to global peace, to East-West relations, and to regional stability and the flow of oil. As the unprecedented and overwhelming vote in the General Assembly demonstrated, countries across the world — and particularly the non-aligned — regard the Soviet invasion as a threat to their independence and security. Turmoil within the region adjacent to the Persian Gulf poses risks for the security and prosperity of every Western nation and thus for the entire global economy. The continuing holding of American hostages in Iran is both an affront to civilized people everywhere, and a serious impediment to meeting the self-evident threat to widely-shared common interests — including those of Iran.

There have been encouraging developments in recent years, as well as matters requiring continued vigilance and concern:

— Our alliances with the world's most advanced and democratic states from Western Europe through Japan are stronger than

ever.

— We have helped to bring about a dramatic improvement in relations between Egypt and Israel and an historic step towards a comprehensive Arab-Israeli settlement.

— Our relations with China are growing closer, providing a major new dimension in our policy in Asia and the world.

— And across southern Africa from Rhodesia to Namibia we are helping with the peaceful transition to majority rule in a context of respect for minority as well as majority rights.

The central challenge for us today is to our steadfastness of purpose. We are no longer tempted by isolationism. But we must also learn to deal effectively with the contradiction of the world — the need to cooperate with potential adversaries without euphoria, I see five basic goals for America in the world over the 1980's.

— First, we will continue, as we have over the past three years, to build America's military strength and that of our allies and friends. Neither the Soviet Union nor any other nation will have reason to question our will to sustain the strongest and most flexible defense forces.

— Second, we will pursue an active diplomacy in the world, working — together with our friends and allies — to resolve disputes through peaceful means and to make any aggression pay a heavy price.

— Third, we will strive to resolve pressing international economic problems — particularly energy and inflation — and continue to pursue our still larger objective of global economic growth through expanded trade and development assistance.

— Fourth, we will continue vigorously to support the process of building democratic institutions and improving human rights protection around the world. We are deeply convinced that the future lies not with dictatorship but democracy.

— Fifth, we remain deeply committed to the process of mutual and verifiable arms control, particularly to the effort to prevent the spread and further development of nuclear weapons. Our decision to defer but not abandon our efforts to secure ratification of the SALT II treaty reflects our firm conviction that the United States has a profound national security interest in the constraints on Soviet nuclear forces which only that treaty can provide.

My most immediate legislative priorities include:

- (1) defense department authorization and appropriations bills
- (2) special international security assistance, for Pakistan and other countries
- (3) bilateral and multilateral foreign assistance bills, including Central America supplemental
- (4) the China trade agreement
- (5) intelligence charters
- (6) refugee legislation and funding
- (7) human rights conventions
- (8) and, when appropriate, the SALT II treaty.

One very immediate and pressing objective that is uppermost on our minds and those of the American people is the release of our hostages in Iran.

We have no basic quarrel with the nation, the revolution or the people of Iran. The threat to them comes not from American policy but from Soviet actions in the region. We are prepared to work with the government of Iran to develop a new and mutually beneficial relationship.

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Spied to 'help avert war,' Japanese says

TOKYO, Jan. 23 (R) — The central accused figure in Japan's biggest peacetime spy case has told police he gave secret information on Communist China to Moscow to help avert war, informed sources said Tuesday.

The sources quoted Maj.-Gen. Yukihisa Miyanaga, who was arrested with two serving intelligence officers last Friday on suspicion of spying for the Soviet Union, saying he believed he was acting in Japan's interest.

Miyanaga, 58, Lt. Eiichi Kasai, 45, and Warrant Officer Tsunetoshi Ohma, 49 are being investigated by police and the public prosecutors office, which will decide whether to press charges.

The sources said Miyanaga told investigators he believed it right to pass information on China to the Soviet Union to avoid tension that could develop into war and affect Japan.

Japan accused Soviet diplomat Col. Yuri

Kozlov, of receiving secrets and paying cash for them.

Kozlov left Tokyo for Moscow in a hurry last Saturday shortly after Miyanaga was arrested despite a Japanese Foreign Ministry request to submit himself for questioning.

The Soviet Embassy said later Kozlov

returned home because his mother was ill.

Political sources said many members of Japan's ruling Liberal Democratic party as well as opposition politicians want Defense Minister Enji Kubota and Army Chief Shigeto Nagano to resign because of the spy accusations.

Meanwhile, in Ottawa, Soviet-Canadian relations have suffered severely because of Canada's expulsion of three Soviet officials accused of spying against the United States, the Soviet Embassy has said.

Press attaché Igor Lobanov denied Tuesday the three were spies and accused Canada of provocation.

"The aim is very evident, to help others to

help bring the world back to the Cold War time," he said. "Everything is now done to destroy relations between our two countries."

He said the affair, which followed limited Canadian sanctions against Moscow in protest against its military intervention in Afghanistan, had destroyed 15 years of effort to improve relations.

Lobanov said the three officials — military attaché Igor Bardeev, his assistant Eduard Aleksanjan, and their driver, V.I. Soldov — would fly to Moscow within the deadline of next Monday set by Ottawa.

Canadian authorities said the three used their diplomatic status to obtain classified U.S. information from an unidentified American "employed in a sensitive position in his country" over the past 16 months.

The secrets were handed over and the American was paid in Ottawa, External Affairs Minister Flora MacDonald said.

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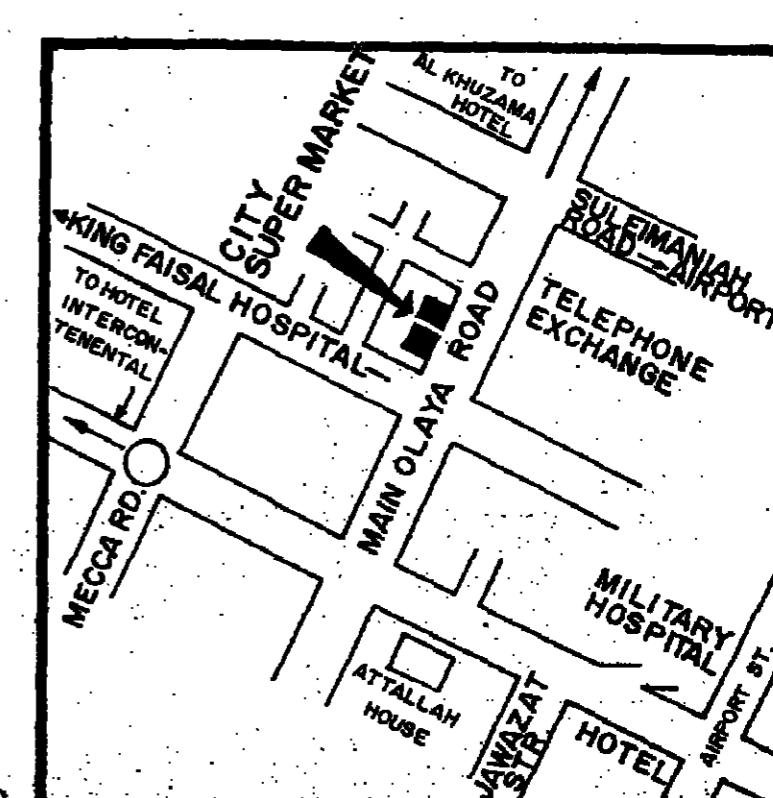
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'Indira wave' rebuffed

Communists gain votes in India's provinces

NEW DELHI, Jan. 23 (AP) — A Communist-led coalition swept to power in state elections in Kerala, India's southernmost state, rebuffing Prime Minister Indira Gandhi's campaign in behalf of the front's rivals.

The seven-party Left Democratic Front, led by the Marxist Communist Party, captured 93 of the 140 State Assembly seats and the right to form the state government, according to incomplete unofficial results of Monday's voting.

The United Democratic Front of six parties led by Gandhi's Congress Party won 46 seats. Another seat went to an Independent.

Communists have ruled Kerala off and on since 1957. The state had been under direct rule by New Delhi since last October when the pro-Soviet Communist Party of India and

several coalition partners pulled out of a previous coalition state government.

India's two main Communist parties, the Marxists and the pro-Soviet CPI, joined hands in Kerala for the first time in more than a decade in the newly victorious left Democratic Front. The Marxists elected 35 of the 93-member majority and the CPI 17.

Reports from Trivandrum, the Kerala state capital, said the state's new Chief Minister is likely to be K.R. Gowri, a Marxist Communist who served as Minister in Kerala Communist governments of 1957 and 1968. She won by more than 12,000 votes over her Congress Party opponent.

In New Delhi, leaders of the two Communist parties congratulated the voters of Kerala.

S.Korea initiates new attempt at unification with North rival

SEOUL, Jan. 23 (AP) — South Korea will deliver a letter to North Korea today at Panmunjom in response to a North Korean proposal for reopening unification talks, it was announced here.

"The letter, from South Korean Prime Minister Shin Hyon-Hwack to North Korean Premier Li Jong-Ok, will contain 'the views of the Republic of Korea government concerning the proposal for resuming the South-North dialogue,'" said Lee Dong-Bok, Seoul's spokesman for the North-South Coordinating Committee.

The South Korean official in a statement said North Korea is requested to send liaison officials to pick up the letter at the conference room of the Neutral Nations Supervisory Commission at the truce village of Panmunjom at 10 a.m. Thursday.

The North Korean Premier, in his letter to Shin delivered on Jan. 12 at Panmunjom, proposed a direct meeting between the two Premiers either in Seoul, Pyongyang, Panmunjom or even in a third country as soon as possible.

South Korean President Choi Kyu-Hah has said that his government was studying the North Korean proposal positively, considering it North Korea's partially affirmative reaction to South Korea's earlier proposal for talks between responsible officials of the two sides.

South and North Korea agreed to open a dialogue in 1972 after a quarter century of war and enmity but the talks broke down the following year.

North Korea demanded that South Korea

abolish its Anti-Communist laws and systems as a prerequisite to reopening the dialogue. The government spokesman did not elaborate on the contents of the South Korean letter to be delivered.

Informed sources have reported, however, South Korea was likely to propose a preliminary meeting of lower-level officials to work out such details as agenda, date, venue and procedures for the proposed premiers meeting.

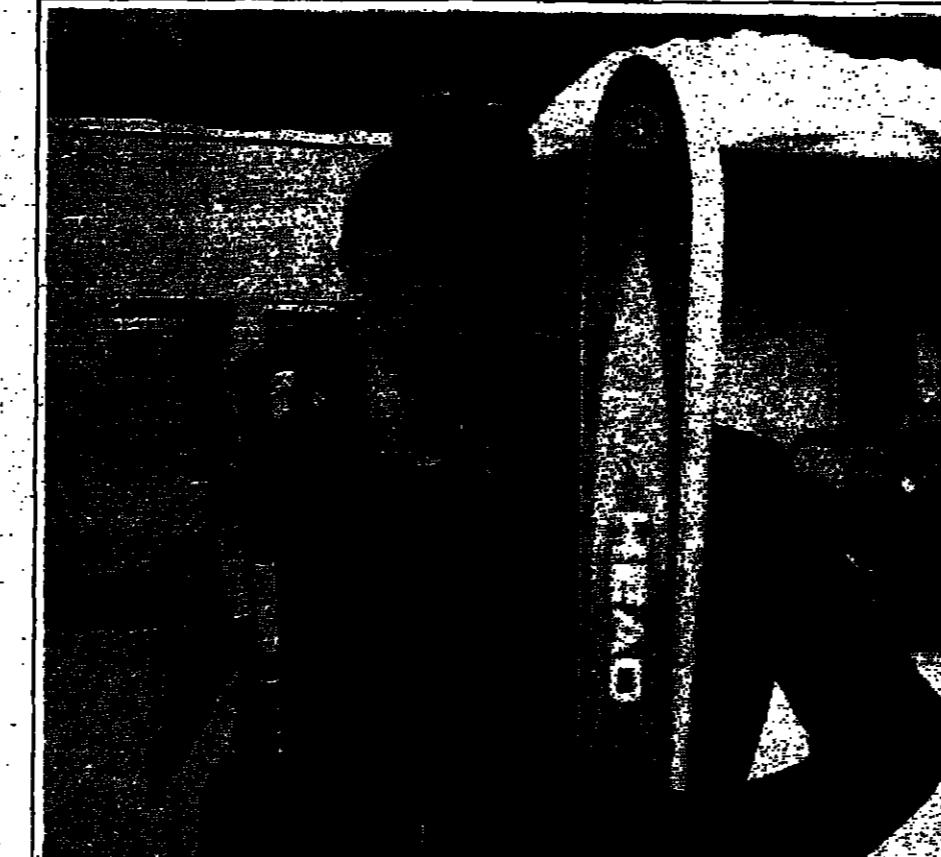
They also said that such preliminary talks were most likely to be held at Panmunjom. Because of its deep distrust of the Communist North, South Korea has been taking a cautious stance toward the latest North Korea proposal.

President Choi has urged his people not to relax their guard against North Korea, which he said was still bent on creating a disunity and unrest in the South for its political cause.

In a related event, South Korean universities say most of the 450 students expelled for protesting against the late President Park Chung-Hee are expected to be back in class when the new semester begins in March.

Yonsei University, one of the nation's top four schools, has sent letters to its 56 ousted students to contact the school for reinstatement procedures.

Ewha Women's University has already permitted the immediate reinstatement of 14 students, while Seoul National University and Korea University have requested the Education Ministry to approve new regulations to allow the return of 380 students, according to school authorities.



Prince Charles

Prince Charles bleeds in the snow

There's no chance of Prince Charles being lost under a snowdrift during his skiing holiday in the Swiss Alps.

Security men have equipped him with an electronic beeper, which he wears every time he sets off down the slopes at the ski resort of Klosters.

The Prince is surrounded by much tighter security following the murder of Lord Mountbatten. Several times a day his car is checked by driver. He carries a spe-

cial mirror device for looking for points under the vehicle.

The Prince's love of skiing posed extra problems for the security men, and that is where the "avalanche beeper" comes in.

The daredevil Prince, and his cousin the duke of Gloucester, have been equipped with the small radio transmitters designed to locate lost or injured skiers high in the mountains.

Thailand swamped by Vietnamese; more refugees increase tension

BANGKOK, Jan. 23 (AP) — Already burdened with hundreds of thousands of Cambodian and Laotian refugees, Thailand has recently also been receiving the largest number of Vietnamese "boat people" of any Asian country.

More than 4,800 of the refugees have reached Thai shores over the past two and a half months.

The flight dropped sharply from the all-time monthly high of 7,677 last May to 1,044 in June. The outflow was minimal until last October when 3,099 reached Asian countries, followed by 2,669 in November and 3,490 last month. January's total may well be higher.

Most Western refugee officials are not

prepared to accuse the Central Vietnamese government of breaking its promise and returning to the sanctioned, organized escapes, but they note that bribery of local officials to facilitate escapes continues.

Refugee officials who have interviewed a large cross section of recent arrivals in southern Thailand note a remarkable similarity.

Most are ethnic Vietnamese from Ho Chi Minh City, who had made their way in small groups to the coastal town of Rach Gia in the country's southwesternmost province of Kiang Giang. There they reportedly secured tiny river boats and attempted to head for Indonesia or Singapore, but were taken by heavy seas and strong winds to the Thai coast.

Misery consumes Uganda in wake of postwar turmoil

KAMPALA, Jan. 23 (AP) — A teacher losing the struggle to escape his peasant origin and a businessman forced into crime for survival tell the story of postwar Uganda's economic squeeze.

"I have lost hope. I am being pushed back to the land after 10 years in the city," the teacher says, explaining how he returned to part-time subsistence farming to support his family.

The businessman manages to make ends meet by trading on the black market. "I buy a car in Kampala for 200,000 Uganda shillings (\$26,700), smuggle it into Kenya and sell it for 60,000 Kenya shillings (\$8,000). On the black market, I can change the Kenya shillings into 600,000 Uganda shillings (\$80,000).

"Noboday can be happy with this. I am opposed to it, but what can you do?"

It's a question often asked in Uganda, where national reconstruction comes second to a more private and pressing concern — getting along. Shortages raise prices and shrink the paychecks of cabinet ministers and messenger boys alike.

Conversations with dozens of Ugandans disclose a common assumption, that everyone in this country of 13 million is either "on the take" or has access to a vegetable patch. Church leaders preach it valid against moral collapse. The arithmetic of survival compels the trucker to lift a crate from his van, the mechanic to steal spare parts, the civil servant to take a bribe.

Consider the telephone operator who earns 600 shillings (\$80) a month. That buys 15 rolls of toilet paper, or six pounds of flour, or 7.5 kilos of meat, or 80 of the small bananas that Ugandans eat at every meal.

This wage must pay the rent, run a car, feed and clothe the children, meet the tax bill or cover an occasional beer. Beer costs 25 shillings (\$3.30) a bottle.

Longtime residents of East Africa, where the British once ran three rather tidy colonies, say the inflation and the corruption is unprecedented in the region.

Ugandans place most of the blame on dictator Idi Amin, who let the economy fall to ruin in eight years before he was defeated and ousted by Tanzanian troops and Ugandan exiles last April. But many wonder why President Godfrey Binaisa has failed to carry out a seven-month-old pledge to end shortages.

Romania invites U.S. for talks
WASHINGTON, Jan. 23 (AP) — U.S. Undersecretary of State David Newsom will visit Romania Jan. 26-28 at the invitation of the Romanian government, the U.S. State Department said.

U.S. officials said the Soviet intervention in Afghanistan has heightened fears in Romania about that country's security and

and quell inflation by flooding stores with price-controlled goods.

Binaisa blamed delays in allocating businesses left vacant by Amin's followers, transport bottleneck through Kenya and problems in re-establishing Uganda's credit with foreign suppliers. He said new price controls were being prepared.

"Everybody's doing it, even the police," said a railroad engineer who stood in line outside a government store for hours to buy flour at controlled price. "The flour ran out before his turn came, and he could not afford to buy from side walk vendors, who openly charged triple the price."

"If you don't see people in their offices, it's because they're out waiting like me, or doing magendo."

Magendo is a Swahili synonym for black-marketeering.

"There is less magendo at the top now than under Amin but there is much more at the bottom," said a government employee. "I missed my chance," a soldier lamented. "I should have stolen a car and set up my own taxi service."

Buses run infrequently. The teacher pays 1,000 shillings (\$130) a month for a morning taxi to his Kampala job. He gets a bus home in the evening for six shillings (80 cents) a trip.

Titograd hit by fifth earthquake

TITOGRAD, Jan. 23 (AP) — Montenegro registered its fifth earthquake in less than 24 hours early yesterday, but there were no reports of damage or casualties, officials said.

The early morning tremor registered six degrees on the Mercalli scale at its epicenter some 20 miles southwest of Titograd, according to the national news agency.

Brief "panic" broke out in the epicenter area, the agency said. The quake registered 4.5 on the Mercalli scale in Titograd, the capital of Montenegro.

The most severe of the earthquakes which struck the Montenegro Coast last spring registered nine degrees on the Mercalli scale.

About 100 people were killed and thousands of buildings destroyed.



Bank Al-Jazira

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2. In accordance with Article (14) of the Articles of Bank Al-Jazira and Article 136 of the Companies Act the present Shareholders shall have the priority and entitlement to subscribe in the new increased capital in the ratio of one new share for each one old share. Shareholders who wish to subscribe are requested to present their applications within 15 days from the date of notice. A shareholder may also express his desire in writing for additional shares in excess of his right, in case there are shares which had not been allocated.
3. After the Bank has made the allocations of shares to the Shareholders according to priority and within their application limits, the shareholders will be advised accordingly and requested to pay the value of those shares, within the period fixed by the Board.
4. In addition, shareholders who express their desire for excess shares will be advised afterwards, the number of the excess shares allocated for them out of the surplus ; they would be required to pay the value within the period fixed by the Board. The Bank will announce this in the local newspapers. In case any shareholder failed to pay the value of the said additional shares within the fixed period, he will loose his right in obtaining these shares which will be allocated to the remaining shareholders in accordance with the text of article (14) of the Bank's Articles of Association and Article (136) of the Companies Act.
5. In case there are still shares not subscribed for by the original shareholders, these shares will then be offered for Public subscription.
6. Intention expressed for the priority right, then payment of priority shares' value, is to be delivered by hand or sent by registered mail to any of the undernoted branches of Bank Al-Jazira within the period fixed by the Board.

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P.O. Box 1388 — Al-Ghazza Quarter. Tel : 44242

Medina Munawara

P.O. Box 441 — Bab Al-Shami. Tel : 26154

Al-Khobar

P.O. Box 2103 — King Abdul Aziz Street. Tel : 8649912

7. Shareholders are also entitled to deliver application for shares and pay the Shares' value within the subscription period as mentioned above, to any Branches of National Commercial Bank or Riyadh Bank in Kingdom for sending the same to Bank Al-Jazira — shares section — P.O. Box 6277, Jeddah, Telephone No. 37070. The applications must include the following particulars :

- (1) Full name of the Shareholder.
- (2) Identity Card No., date and place of issue.
- (3) Full Address.
- (4) Serial No. of letters of allotment for the shares presently held.
- (5) Number of shares presently held.
- (6) Number of new right shares applied for within his right in the priority.
- (7) Number of excess shares applied for subscription in addition to his right in priority.
- (8) Undertaking payment of the value of the additional shares' to be allocated to the shareholder within the fixed period as mentioned in the invitation which will be sent to him by the Bank and published in the local newspapers.
- (9) Shareholders Signature.

Board of Directors

'My highest domestic priority'

Carter outlines anti-inflation battle

EDITOR'S NOTE: Following are excerpts from President Jimmy Carter's state of the union message dealing with inflation, energy and cooperation with developing countries.

WASHINGTON, Jan. 23 — "Restraining inflation remains my highest domestic priority," President Jimmy Carter told Congress January 21 night.

In his written State of the Union message the President said he will continue to follow a policy of budgetary restraint, with real growth in spending in the 1981 budget "close to zero" and no tax proposed.

"Inflation at the current, unacceptably high levels is the direct result of economic problems that have been building, virtually without letup, for over a decade. There are no easy answers, or quick solutions to inflation. It cannot be eliminated overnight; its roots in our economy are too deep, its causes are too

pervasive and complex. We know we cannot spend our way out of this problem."

"But there is hope — for a gradual reduction in the inflation rate, for an easing of the economic pressures causing inflation."

"The hope lies in a program of public and private restraint in the short-run and a program to attack structural inflation over the longer-run. This is the policy I have pursued and will continue to pursue."

"A growing defense effort and a vigorous foreign policy rest upon a strong economy here in the United States. And the strength of our own economy depends upon our ability to lead and compete in the international marketplace."

"An essential lesson to be drawn from Iraq is that there are compelling foreign policy, as well as domestic economic reasons for less-

sening our dependence on foreign oil."

"In response to a series of United States proposals, the industrial countries adopted in 1979 a cooperative energy strategy for the 1980's. Its main elements are collective restraint on oil imports; intensified efforts to conserve oil and boost production of conventional substitutes for oil; and collaborative research, development and commercialization of new fuel technologies."

"At the 1980 economic summit in Venice, I intend to propose further joint action to smooth the transition from oil to more abundant fuels and to slow the growth in oil prices, and to slow the growth in oil prices."

"In support of the international oil strategy, the administration and the United States coal industry are launching joint marketing efforts to make this country a major exporter of steam coal. With assurance of reliable United States coal supply at competitive prices, many of the electric power plants to be built in the 1980's and 1990's can be coal-fired rather than oil-burning. Coal exports will help us pay for our declining but costly oil imports."

"A new source of natural gas supply for the United States — Mexico — was opened through the conclusion of government-to-government negotiations. Through close cooperation with our northern neighbor, Canada, the administration cleared the way for expanding the flow of Canadian natural gas to the United States and for private development of the Alaskan gas pipeline across Canada to the lower 48 states."

"We are moving forcefully to establish the fundamental economic conditions for a strong dollar. In 1979 the balance of payments was in approximate balance for the first time in three years, despite substantially higher oil import costs. Our anti-inflationary economic policies and strong energy program should provide a basis for further improvement."

"Our relations with the developing nations are of central importance to the United States. The fabric of our relations with these countries has both political and economic dimensions, as we witnessed in recent weeks when nations of the Third World took the lead in condemning the Soviet invasion of Afghanistan."

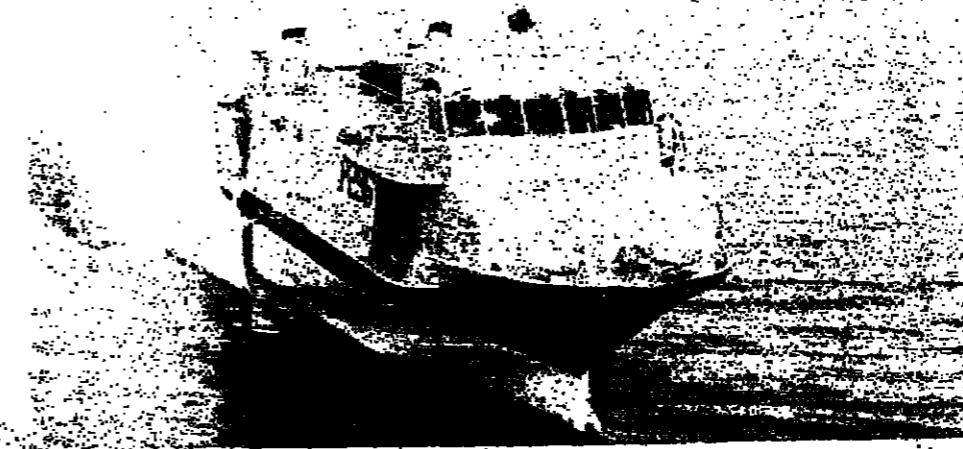
U.S. plans 'appropriate measures' to prevent embargo circumvention

WASHINGTON, Jan. 23 (AP) — President Jimmy Carter's administration told Congress Tuesday it was prepared to take "appropriate measures" to insure that other nations do not make up for grain shipments the Soviet Union is losing from the United States embargo.

Administration officials also sought to assure farmers that they will not suffer any significant hardship from the partial cutoff of sales to the Soviets.

Testifying at the opening of hearings before a Senate banking subcommittee on international finance, Commerce Secretary Philip M. Klutznick said, "We do not expect to be able to prevent all transshipment of agricultural supplies through other countries" to the Soviet Union. "However, we will be watching exports to and from other countries very closely to insure that they are commensurate in volume with past shipments."

Klutznick said, "If we detect any circumvention, we will take appropriate measures, including enforcement actions under the Export Administration Act."



H.M.S. SPEEDY: Britain seems to be relying on the U.S. for its newest addition to the Royal Navy. The H.M.S. Speedy is currently on trials at Puget Sound near Seattle, Washington. It is a 117 ton Boeing offshore patrol hydrofoil capable of high speeds in excess of 50 knots (92 km) an hour.

For wide-ranging talks

EEC leader meets Carter

WASHINGTON, Jan. 23 (AP) — Roy Jenkins, President of the Common Market's Executive Commission, embarked on talks with President Jimmy Carter and other high American leaders Tuesday on such wide-ranging subjects as Afghanistan, Iran, trade and the markets relations with Turkey and Yugoslavia.

Jenkins conferred for 30 minutes with Carter at the White House and then he met separately with Vice President Walter F. Mondale, Secretary of State Cyrus Vance, Secretary of Commerce Philip M. Klutznick, Rubin Aukin, Carter's special trade representative, and Zbigniew Brzezinski, Carter's national security adviser.

Roger Beetham, a White House spokesman, told a news conference that Carter and the Common Market leader agreed "on the difficulties and dangers facing the United States, the European Community (EEC), and other industrial countries in 1980," including the possibility of recession.

Beetham said Jenkins informed the American leaders that the Common Market is speeding up its relations with both Turkey and Yugoslavia. He quoted Jenkins as saying, "No more should go (to the Soviets) than traditional quantities," he said.

Asked if the Common Market is prepared to assist Pakistan against a possible squeeze by the Soviets, Beetham said, "It is not a military body so there is no question of military aid. There is some aid now going to the refugees there. Economic aid is more likely on a bilateral basis."

There is hope for a revised agreement with Yugoslavia. A commission spokesman said the objective is to provide as much free entry into the nine market nations as possible for Yugoslavia's manufactured goods.

This, he said, could be accomplished by removing some tariff quotas.

The new government of Turkey, now an associate member of the market, wants to develop its association with the organization, he said.

Of the Soviet military intervention in Afghanistan, Beetham said Carter expressed his satisfaction with the Common Market's condemnation of the Soviet action. A commission spokesman said it is the Common Market's policy not to substitute for United States products that are under embargo.

"No more should go (to the Soviets) than traditional quantities," he said.

Asked if the Common Market is prepared to assist Pakistan against a possible squeeze by the Soviets, Beetham said, "It is not a military body so there is no question of military aid. There is some aid now going to the refugees there. Economic aid is more likely on a bilateral basis."

The House leadership had hoped to consider President Jimmy Carter's Chinese trade proposal Tuesday, but were blocked when a Republican leader announced he would challenge an immediate House vote on procedural grounds.

The House Rules Committee scheduled a meeting for Wednesday to resolve the procedural issue and clear the way for action on the proposal, probably on Thursday.

The trade agreement would end "discriminatory" tariffs against China, granting it the same trade terms that most other nations of the world have with the United States.

"Most-favored-nation" trading status has not been extended to the Soviet Union.

Senator William Roth, Republican-Delaware, cited recent Soviet military moves in Afghanistan in urging support for the U.S.-China trade agreement.

Saudi Arabian

Government Tenders

Authority	Description	No. of Tender	Price SR	Closing Date
Ministry's Agency for Endowments Affairs	Construction of a mosque in a government complex in Obod Rafedah, Abha area	300	500	Jan. 23
" "	Demolition and reconstruction of Al-Qubbah mosque in Billasmar	400	500	Jan. 23
" "	Demolition and reconstruction of Aal Saad mosque in Kailaf Tathlith, Abha area	500	500	Jan. 7
" "	Demolition and reconstruction of Saadiah mosque in Bisha area	400	500	Jan. 28
" "	Demolition and reconstruction of Ben Hamedan Al-Birk mosque in Qunfuzah	400	500	Feb. 6
" "	Demolition and recon-structure of a mosque in Husniah village in Wadi Safras, Medina	400	500	Feb. 6

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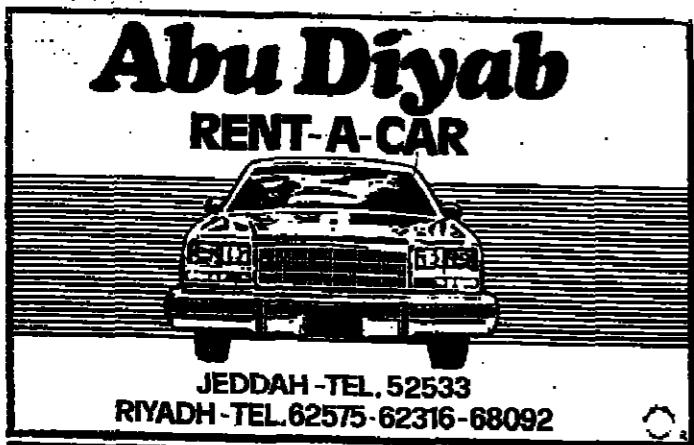
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arab news

International Finance International Bourse, Commodities, Money and Exchange Rates

International Share Information

AMSTERDAM	لندن	LONDON	لندن
Closing	Closing	Closing	Closing
Jan. 18	Jan. 18	Jan. 18	Jan. 18
Soc. Gen. Belgique	1059	1100	1200
Alcoa	135.50	251.00	251.00
Austin Bank	62.30	62.20	62.20
Dow	19.50	18.70	18.70
Holloman	70.00	71.00	71.00
Hoogovens	20.90	21.10	21.10
IBM Group	92.40	92.10	92.10
KLM	68.50	68.00	68.00
Krebs	11.00	11.00	11.00
Nedlloyd Group	71.20	73.30	73.30
Omanen	22.00	22.00	22.00
Price	19.50	19.70	19.70
Robeco	12.50	12.50	12.50
Rodrimco	106.20	105.10	105.10
Rolincos	145.30	145.50	145.50
Rovato	107.30	107.20	107.20
Royal Dutch	143.40	143.80	143.80
Unilever	114.30	114.80	114.80
ACE Holding	78.20	78.90	78.90
ADM	82.00	82.00	82.00
AMEV (FL10)	20.20	20.20	20.20
Berkel	92.20	92.50	92.50
Bols	55.20	60.20	60.20
Bors. Kaff	98.20	100.00	100.00
Brown-Forman	21.00	21.00	21.00
Bushveld Top	57.20	58.20	58.20
Calendt Holding	27.20	27.60	27.60
Elektron-NEDU (FL20)	23.00	23.50	23.50
Fedorov	12.50	12.50	12.50
Geldor	16.90	16.50	16.50
Glet Brocades (FL10)	32.50	31.20	31.20
Hagener	33.50	33.30	33.30
H.K.G.	84.00	84.00	84.00
Internatio	28.00	26.40	26.40
KNP	26.50	25.50	25.50
Knorr	14.80	14.50	14.50
Krauth	12.20	12.20	12.20
One VO Graden	12.20	12.70	12.70
OGEM (FL 10)	17.10	17.20	17.20
Pakmed (FL20)	50.50	49.80	49.80
Riv. Stoc Kr (FL100)	31.00	22.80	22.80
Von Stork	53.80	53.10	53.10
VNU	88.20	88.20	88.20

BOND INFORMATION اثمار السندات

SCHEDULED EUROBONDS اثمار السندات

The following is the Calendar of Eurobond and Foreign Bond offerings with tentative terms, syndicate manager and offering date where available. Coupons and yields are on an annual basis unless otherwise indicated.

EUDOLLAR BONDS

Nippon Credit Bank (Curacao) Finance NV, guaranteed by Nippon Credit Bank, 30 million dollars, due 1987, quarterly interest at 0.25% points above three-month U.S. Treasury rate, par, 9.5% semi-annual interest, 5.25%, S.G. Warburg and Co. and Development Bank of Japan, 29 Jan.

Ajinomoto Co., 40 million dollars, due 31 March 1985, 7.75% semi-annually, convertible starting 11 February 1980 into Food Processor's Tokyo-listed shares, anticipated conversion premium 10%, Nikko Securities Co. (Europe) Ltd., 22 Jan.

EUROMARKET BONDS

Jutland Telephone Co., 50 million marks, due 1990, 8.25%, Dresden Bank, 25 Jan. Oesterreichische Kontrollbank, guaranteed by Austria, 150 million marks, due 1 February 1987, 7.875% at par, no Sinking Fund, first call at 101.5% in 1984, Deutsche Bank, 24 Jan.

OTHER CURRENCIES

Citicorp Overseas Finance Corp. Ltd., guaranteed by Citicorp, 50 million pounds, due 1 Feb. 1980, 13.5% at par, Sinking Fund starts 1981 to produce 7 year average 1.6%, first call at 101.5% in 1985, Credit Suisse-First Boston, 29 Jan.

The volume of scheduled Eurobond offerings totals about the equivalent of 300 million dollars compared with 270 million dollars a week earlier.

FOREIGN ISSUES

U.S. Treasury, 2 billion market divided into 2.5-year notes yielding 8.5% and 3.5-year notes yielding 8.45%, Deutsche Bundesbank, 24 Jan.

World Bank, 300 million Swiss francs, due 1980, 5.5% at par, Union Bank of Switzerland.

G.O. International BV, guaranteed by General Occidentale SA, 60 million Swiss francs, due 1990, 5.875%, Soditic S.A., 18-24 Jan.

The volume of scheduled Eurobond offerings totals about the equivalent of 300 million dollars compared with 270 million dollars a week earlier.

U.S. GOVT. NOTES & BONDS المدنات الحكومية الأمريكية

January 18	Fractions and changes in 32nds	Bid	Asked	Change
Notes	-	-	-	-
10%+ September 1981	97.22	97.30	DN 12	
12%+ October 1981	101.14	101.22	DN 12	
100% November 1981	100.24	101.0	DN 10	
11%+ December 1981	99.22	99.28	DN 8	
11%+ May 1982	101.11	101.15	DN 1.7	
10%+ December 1983	99.2	99.6	DN 10	
10%+ May 1985	98.17	98.21	DN 13	
8% August 1986	98.72	98.10	DN 14	
10%+ November 1989	99.18	99.22	DN 21	
Bonds	-	-	-	-
10%+ November 1994	95.0	95.16	DN 20	
10%+ February 1995	97.26	98.2	DN 22	
8%+ November 2003-2008	83.20	84.4	DN 1.8	
5%+ May 2004-2009	86.28	87.12	DN 1.4	
10%+ November 2004-09	97.28	98.4	DN 1.6	

KUWAITI DINAR BOND MARKET المدنات الكويتية

January 17

Kuwait — (AP-DJ) — The Kuwaiti dinar bond market witnessed this week some selective selling pressure and most prices closed 1/4-1/2 lower, the Arab Company for Trading Securities reports.

Despite the scaling of money market rates, most investors are still reluctant to commit themselves in the bond market. Consequently, the drop in the Kuwaiti dinar rates merely relaxed the funding problems of bond holders.

Recent Kuwaiti Dinar Bond Issues

Issuer	Coupon	Maturity	Price
ASEA (Sweden)	8	1.10.89	95-95%
Banque Nationale de Paris	7/4	15.06.89	95-95%
C.C.E. (France)	8	15.09.94	92-93%
C.I.U. (Morocco)	8%	15.08.89	92-93%
Credit Lyonnais	8	15.10.87	95-96%
Indonesia (Rep. of)	8%	15.07.86	93-94%
T.V.O. Power Co.	7/4	15.09.90	93-94%

Kuwaiti Dinar Negotiable Bank Certificates of Deposit

3 months 10 bid • 6 months 10% bid • 12 months 10% bid

EURO-CURRENCY INTEREST RATES

January 21	U.S. Dollar	Sterling	W. German Mark	Dutch Guilder	Swiss Franc	French Franc
13/15/16-3/1/81	81-84%	81-84%	11-11%	5%-5%	12-12%	
3/16-4/15/81	10%-10%	85-87%	10%-11%	5%-5%	12%-13%	
4/16-5/15/81	10%-10%	87-89%	10%-11%	5%-5%	12%-13%	
5/16-6/15/81	87-89%	87-90%	10%-11%	5%-5%	12%-13%	
6/16-7/15/81	87-89%	87-90%	10%-11%	5%-5%	12%-13%	
7/16-8/15/81	87-89%	87-90%	10%-11%	5%-5%	12%-13%	
8/16-9/15/81	87-89%	87-90%	10%-11%	5%-5%	12%-13%	
9/16-10/15/81	87-89%	87-90%	10%-11%	5%-5%	12%-13%	
10/16-11/15/81	87-89%	87-90%	10%-11%	5%-5%	12%-13%	
11/16-12/15/81	87-89%	87-90%	10%-11%	5%-5%	12%-13%	
12/16-1/15/82	87-89%	87-90%	10%-11%	5%-5%	12%-13%	
1/16-2/15/82	87-89%	87-90%	10%-11%	5%-5%	12%-13%	
2/16-3/15/82	87-89%	87-90%	10%-11%	5%-5%	12%-13%	
3/16-4/15/82	87-89%	87-90%	10%-11%	5%-5%	12%-13%	
4/16-5/15/82	87-89%	87-90%	10%-11%	5%-5%	12%-13%	
5/16-6/15/82	87-89%	87-90%	10%-11%	5%-5%	12%-13%	
6/16-7/15/82	87-89%	87-90%	10%-11%	5%-5%	12%-13%	
7/16-8/15/82	87-89%	87-90%	10%-11%	5%-5%	12%-13%	
8/16-9/15/82	87-89%	87-90%	10%-11%	5%-5%	12%-13%	
9/16-10/15/82	87-89%	87-90%	10%-11%	5%-5%	12%-13%	
10/16-11/15/82	87-89%	87-90%	10%-11%	5%-5%	12%-13%	
11/16-12/15/82	87-8					

Despite airport protest

American boxing squad leaves for Russian tour

WASHINGTON, Jan. 23 (AP) — A 20-member American boxing team left Tuesday evening for an exhibition tour of the Soviet Union after their flight was delayed for more than two hours when ground personnel refused to process its passengers and baggage.

Officials at Dulles International Airport said the flight from Washington to Moscow finally took off after Aeroflot took over the handling of baggage and ticketing for the passengers, a job normally done by Pan American World Airways.

Airport officials said some members of a

local Teamsters Union refused to handle the flight to protest the Soviet intervention in Afghanistan.

The boxers, members of the Amateur Athletic Union, said they felt no qualms about participating in the 14-day, three-city tour in the Soviet Union.



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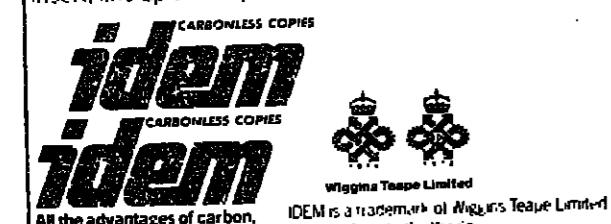
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Alex Ramos, a 156-pounder from New York, said "I feel I want to go because politics shouldn't mix with sports."

"Everybody says we shouldn't go but I'm bothered by that."

Most of the 15 boxers felt that they should not abandon the trip, although State Department officials had asked them not to go.

Vincent Christian, a 119-pounder from Philadelphia, said that if President Carter really pressed the issue and there was a public outcry against the athletes participating in Russia, he would stay home.

"I don't feel there has been a public outcry," he said. "For this trip to be cancelled, it would really upset me after all the work I have put in."

A team of top Soviet athletes meanwhile left Tuesday for the United States to compete in several American cities despite Administration threats to boycott this year's Olympics.

Among the group were Montreal Olympics women's hurdlers silver medalist Tatjana Anisimova, men's hurdlers Nikolai Chernetsky and Alexander Puchkov, and leading woman pentathletist Yekaterina Smirnova.

A wrestling team from the U.S. is now touring the Soviet Union on a visit arranged before President Carter said the U.S. would boycott the Olympics if Soviet troops were not withdrawn from Afghanistan with a month.

Soviet officials have denounced the President's threat as a cold war gesture and insisted that Moscow wanted to maintain sports contacts.

In London, soccer club Arsenal would probably pull out of the European Cup Winners' Cup competition if drawn against Moscow Dynamo.

Chairman Denis Hill Wood said Tuesday, "In the present political climate, I do not think we would want to have any contact with the Russians, if they were drawn against us."

Forest beats 'Pool 1-0 in League Cup

LONDON, Jan. 23 (R) — A disputed 89th minute penalty by John Robertson gave holder Nottingham Forest a narrow 1-0 home win over Liverpool in their Football League Cup semi-final first leg clash Tuesday night.

There was also drama in the other semi-final first leg match, where third division Swindon beat illustrious visitor Wolverhampton 2-1.

European champion Forest, bidding for a third successive League Cup triumph, was awarded the spot kick when Gary Birles fell over Liverpool goalkeeper Ray Clemence as he chased a through pass from team mate Martin O'Neill.

Liverpool, almost completely in control throughout, argued fiercely and was still upset when the match finished.



PASS: Liam Brady (left) is passed to by Walford of Arsenal with Terry Connor of Leeds coming in on the right, in a recent Highbury game.

Indoors

Connors starts title defense

PHILADELPHIA, Pennsylvania, Jan. 23 (AP) — Top-seeded Jimmy Connors advanced to the third round in beginning his defense of the U.S. pro indoor championship with a 7-5, 6-4 victory over Tom Gullikson.

Nastase breezed through the first set, losing few points and placing the ball well. But the 21-year-old Swiss came back with strong passing shots to win the second set from 4-4. He overcame Nastase in the deciding third set with a run of five straight games.

Raul Ramirez, Mexico's Davis Cup star, advanced to the third round by defeating 14th-seeded Victor Amaya 6-3, 6-2.

Panamanian retains featherweight crown

TOKYO, Jan. 23 (R) — Eusebio Pedroza of Panama successfully defended his World Boxing Association (WBA) featherweight title for the seventh time here Tuesday night when he beat Japanese challenger Spider Nemoto on points in a largely one-sided contest.

Referee Nate Morgan of the United States and Panama's judge Emma Urrunaga scored the bout 147-140 and 148-138 respectively in Pedroza's favour.

Japanese judge Yusaku Yoshida had the champion ahead by 147-146.

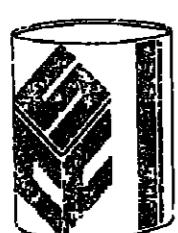
Nemoto did his best to tire Pedroza by taking the fight to him but he was continually outpunched by the fleet-footed champion.

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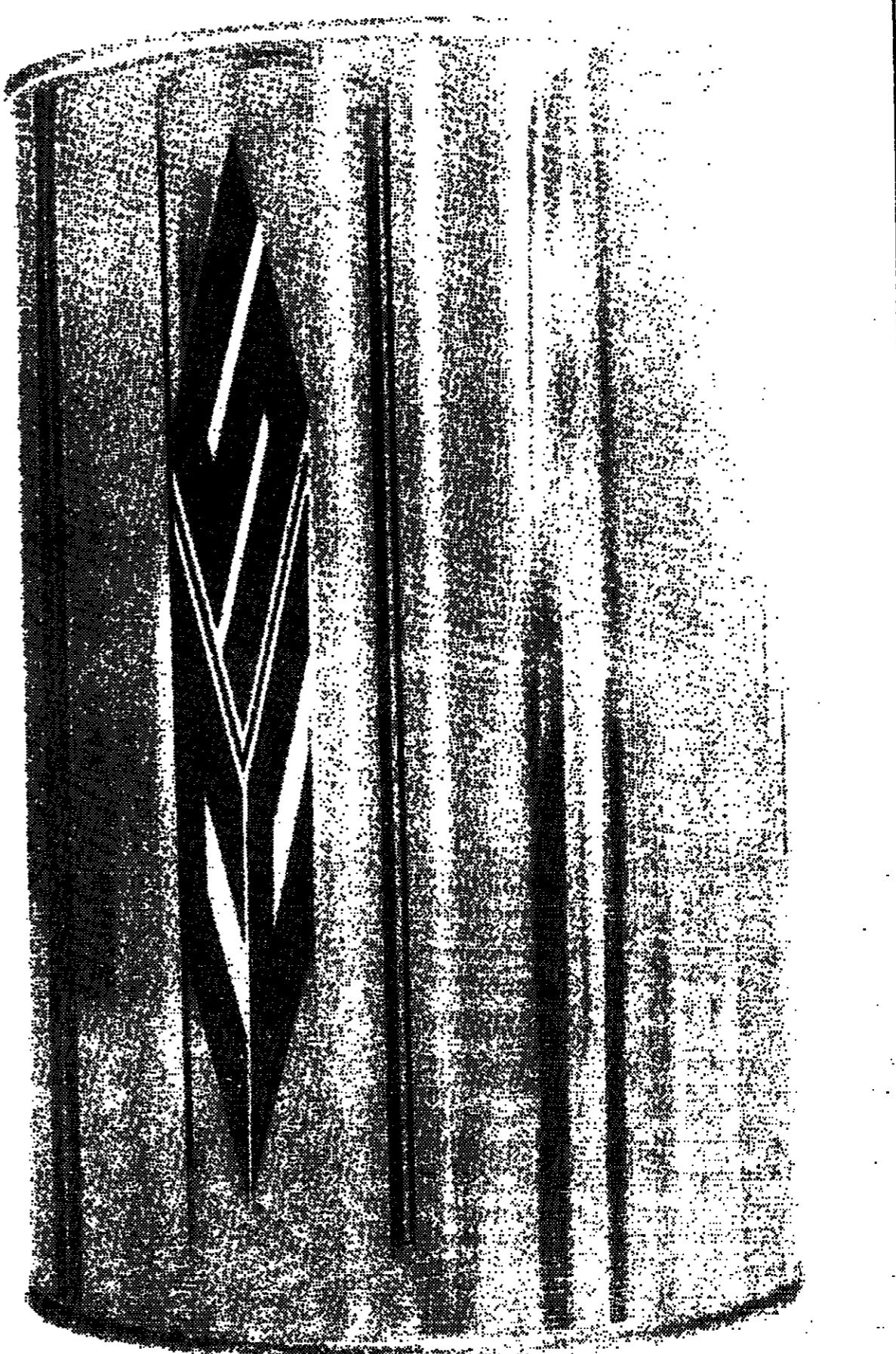
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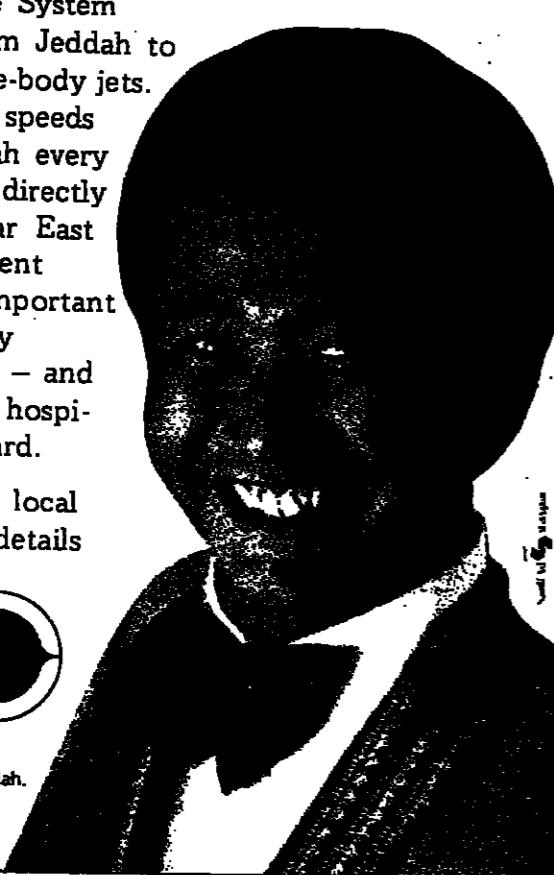
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correction

In the official guide-book of the

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a regrettable error has been made:
Our Company, Dann-Modul Engineering of Denmark, has been misplaced as far as alphabetical order and subject is concerned.

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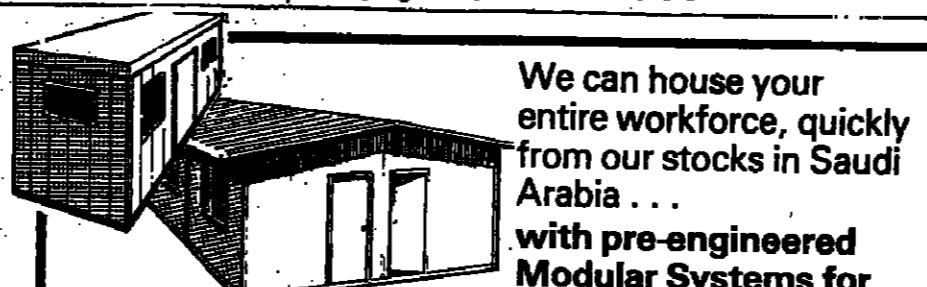
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International:

But ambassador issues 'categorical' denial

Shah held in Panama, Iran claims

PANAMA CITY, Panama, Jan. 23 (Agencies) — Tehran radio announced Wednesday that the Panamanian government has arrested Shah Muhammad Reza Pahlavi, but a Panamanian spokesman denied the report.

A spokesman for the former Iranian ruler said he was asleep at his well-guarded villa on the island of Contadora and no move had been made to put him under detention.

The announcement quoted by Paris said: "At 3:50 this morning the president of Panama called foreign minister Sadeq Ghobzadeh and said that at his request (Ghobzadeh's) the deposed Shah from this moment is under the detention of the Panamanian government and the Panamanian government is waiting to receive documents from the Islamic Republic Government of Iran for extradition hearings against the Shah."

"In return Ghobzadeh thanked the Panamanian government for its just action and noted that obviously this step of the Panamanian government will ease the present international crisis, and he believes that

the crisis will only be solved through peaceful means and understanding."

Panama's ambassador to Washington said he was authorized to "categorically deny" the statement.

"Everything is quite normal in Panama today and I don't know the reason or the sources for the Iranian report because there is nothing to it," Ambassador Carlos Lopez Guevara said in a telephone interview. He said he had just spoken by telephone with top government officials in Panama City and that he was authorized to "categorically deny" the Iranian statements.

"We have granted the Shah asylum, and under the basic rule of asylum, he will never be returned to any country where there is the death penalty." More than 700 persons have been executed in Iran by firing squad for crimes against the state since the Shah left Iran last January.

Meanwhile, both the United States and its Western European allies have decided to postpone temporarily the imposition of more economic sanctions against Iran, officials

said. But the officials said the U.S. desire to increase the economic pressure on Iran to release the 50 American hostages continues. They predicted that both the United States and European countries will take steps in the near future.

The United States now plans to wait until the Iranian presidential election on Friday before announcing its next steps, officials said.

Western European countries want to wait at least until the summit meeting of Islamic nations in Pakistan next week, the officials added.

Exactly what steps will be taken has not yet been decided. The United States has already cut off most trade with Iran, and officials acknowledged that the next steps would be likely to have only a marginal impact on the Iranian economy.

In addition, officials said, the Soviet intervention in Afghanistan has made the Carter administration and its allies reluctant to tighten the screws on Iran too hard, lest they give the Soviets a new opportunity for expansion.

"We do not want to put so much pressure on that it would lead to a disintegration of the country or to a permanent alienation between Iran and the United States," one official said.

The Europeans, officials added, are reluctant to squeeze Iran tightly for several other reasons. In addition to dependence on Iranian oil, they do not feel sanctions will be effective in winning the release of the hostages, and they want to make sure that Iran's contacts with the West are maintained.

Thus, European Economic Community President Roy Jenkins was non-committal about sanctions when he emerged from a meeting with State Department officials Tuesday.

"We're very anxious to act in any way we think will aid the release of the hostages," Jenkins said, refusing to add anything about the efficacy of sanctions.

State Department officials said they expected that nearly all of the American allies in Europe would take some limited steps against Iran, but that there was little hope of sweeping trade sanctions.

Dissident Sakharov discredited, isolated

MOSCOW, Jan. 23 (AP) — Soviet authorities have cracked down on their most outspoken internal critic. Dissidents reported that Andrei Sakharov was arrested in a Moscow street, and the state-run media said he had been stripped of all his Soviet honors for "subversive activities."

Plainclothes police outside Sakharov's Moscow apartment told Western reporters Tuesday to "go to Sheremetevsky," Moscow's international airport.

Officials said Sakharov was handed the document stripping him of his honors and was told he was leaving for the Volga river city of Gorky by a Moscow prosecutor, who told the dissident scientist that the move would prevent him from contacting Western newsmen. Sakharov had regularly relayed to correspondents based in Moscow the latest developments in the Soviet Union's dissident community. Like several other major Soviet cities, Gorky, about 400 km east of Moscow, is closed to foreigners, although telephone contact is possible.

Dissidents and Western observers interpreted the unexpected assault on Sakharov as a direct Soviet response to President Jimmy Carter's anti-Soviet campaign. "In effect, they're saying if you want Cold War, we'll give you Cold War," said one Western resident of Moscow.

One of Carter's first actions as U.S. president had been to write a letter of support for

Sakharov. That opening salvo in what became Carter's human rights campaign infuriated the Russians.

The official news agency Tass said Sakharov was stripped of his awards by the Presidium of the Supreme Soviet because he "has been conducting subversive activities against the Soviet state for a number of years."

Sakharov, 58, was one of the Soviet Union's most prominent nuclear physicists and played a major role in the development of the Soviet hydrogen bomb. But in 1966 he began to question public Soviet nuclear policy, and gradually moved into the dissident movement as a defender of freedom of speech and other human rights.

In 1975, he was awarded the Nobel peace prize for his activities. At the same time, he remained a full member of the highly prestigious Soviet Academy of Sciences, and Soviet authorities appeared reluctant to move against so prominent a former comrade.

Tass said that Sakharov "was repeatedly warned by representatives of appropriate state bodies, public organizations and prominent Soviet scientists about the impracticality of such activities."

"Ignoring these warnings, Sakharov lately embarked on the road of open calls to reactionary circles of imperialist states to interfere in the USSR's internal affairs."

Officials say they believe the president will

By Jihad Khazen
Good Morning

said, the union took his case up as clear "victimization" and insisted he was given work. Then the union, or more precisely, his colleagues at the pit who were the union, objected because he wouldn't drink with them before, inside, and then after emerging from the mine.

He said the amount these hardy fold could take in the way of drink was nothing short of phenomenal, especially with the dangerous and tiring work they do. He said he was known as something of a softy, since he told them he could hardly do the work stone cold sober.

Another friend chose to stay in Beirut when the industry collapsed. He found a new line of business: Importing livestock from Eastern Europe to Beirut. He used to rush to the port every morning, I was told, to count the head of cattle and make arrangements for their sale and distribution. His friends started calling him "The Cowboy," but he didn't care, since, for the first time, he was making real money. He has now given up journalism altogether, as I heard, and is one of the country's main importers.

Translated from *Ashtar Al Awasat*.

'Starting to leave bed'

Tito walking, doctors report

BELGRADE, Jan. 23 (R) — President Josip Broz Tito's doctors said Wednesday the 87-year-old leader was showing further improvement after the amputation of his left leg on Sunday and had been able to get out of bed.

The doctors said in a bulletin, "the general condition of Tito's health is further improving. The president spent last night quietly and he is feeling well. (Tito) has started to leave his bed."

Tito, head of state and of the ruling Communist party for life, agreed to the amputation after the failure of an earlier operation to clear an artery blockage, and the development of gangrene in his foot.

A surgeon commenting privately on a Tuesday bulletin, said, "The critical period should now be over."

News of the president's gradual recovery relieved Yugoslavs, although the officially-controlled media have repeated the doctors' bulletins without explanation or elaboration.

Officials said they believe the president will

resume many of his previous political activities, although he will almost certainly be confined to a wheelchair and be forced to reduce his extensive travel.

One strong possibility, they said, was that Tito would leave most of the day-to-day running of state and party affairs to the collective leadership which he has set up to succeed him. He could then play the role of elder statesman.

The 24-man party presidency and the nine-member state presidency, which represents the main groups in this ethnically and culturally diverse Balkan country, have held a number of informal special sessions over the past two weeks.

Officials said that all contingencies had been made to ensure smooth running of the state, whatever happens.

Yugoslavia is deeply concerned at the Soviet military intervention in Afghanistan fearing it might represent a precedent for Russian interference.

Andrei Sakharov

Black nationalist candidate killed in

SALISBURY, Rhodesia, Jan. 23 (AP) — Gunmen shot and killed a Black Nationalist candidate in next month's Rhodesian elections, police confirmed Wednesday.

The victim was identified as Oliver Saunyama, a member of the ZANU Party of the Rev. Ndabani Sithole, one of the minority parties in the running.

He died instantly when the gunmen fired on his car Tuesday as he left his home in a Salisbury suburb, police said.

There were no arrest, and police were unsure of the motive for the slaying.

In addition, an 11-man Commonwealth observer team was flying to Salisbury Wednesday to make sure that elections in Rhodesia next month are free and fair.

The mission is headed by former Indian Ambassador Rajeshwar Dayal.

The group made a courtesy visit Mon-

day to British Foreign Secretary Lord Carrington in advance of its departure.

Dayal was asked at a news conference Tuesday if the group would recommend cancellation of the elections if it felt the result were unfair.

"That would be a long shot," he said. "I would hate to contemplate a contingency of that kind. It would be very serious."

He said his team recognized that conditions in Rhodesia were unusual and indeed: "one has to make some allowances for deficiencies. Even in the most orderly countries deficiencies occur in elections."

He said the group was ready to receive complaints from political parties, but would then suggest that they be handled by the competent authorities.

In a related incident, guerrilla leader Robert Mugabe has not yet received per-

mission from Britain to return to Rhodesia where his ZANU party is preparing for next month's pre-independence elections. British and Nationalist sources said Wednesday.

The delay in Mugabe's return after three years of self-imposed exile occurred amid mounting demands that he release about 71 detained political foes in Mozambique.

A spokesman for British Governor Lord Soames told the Associated Press that permission for the Zimbabwe African National Union President to come home had not been granted by early Wednesday, but he denied that Mugabe's return would be linked "in any way" with the release of the detainees.

ZANU spokesman Enos Nkala said the party was going ahead with plans for a rally to welcome Mugabe on Sunday, even

though it is uncertain he will arrive then.

It was not clear why Mugabe has continued to hold the men who allegedly plotted three attempts to overthrow him since January 1979. But Nkala said, "If we were to release them and they came back here their lives would be in danger when the masses heard what they had been trying to engineer."

The freedom of detainees was provided for in the Lancaster House Agreement reached last month in London. The accord ended the seven-year guerrilla war and arranged for elections February 27-29.

The caretaker British Governor inherited 17 Patriotic Front detainees from the administration of Prime Minister Abel Muzorewa.

The governor's office said the cases of those prisoners, originally held as security threats by former white Prime Minister Ian Smith, were under review.

In face of economic, social chaos

El Salvador seethes with political unrest

SAN SALVADOR, El Salvador, Jan. 23 (R) — The Central American Republic of El Salvador is facing a serious economic, political and social crisis which threatens to explode into civil war.

"The polarization of forces is so far advanced that there appears to be little prospect for peaceful co-existence," one diplomat said.

San Salvador Archbishop Oscar Arnulfo Romero goes even farther and says civil war between left and right or a mass insurrection can only be stopped by radical reforms.

Monsignor Romero has been a thorn in the side of the country's oligarchs and their military supporters for years, and his constant sermons on the need to share the country's wealth draw thousands of people to the cathedral here every Sunday when he celebrates mass.

The danger of revolution has been increased by a coalition between different leftist guerrilla groups and political action fronts seeking to establish Socialism in this small, over-populated country of 4.5 million people.

tell which line they will take.

Experienced political observers believe the unity of anti-government forces was hastened by an alleged swing to the right of the new civilian-military junta.

When a group of young colonels deposed Rightist President Carlos Humberto Romero last October 15 and set up a five-man civilian-military junta, great hopes for real change were aroused.

The junta promised a series of reforms and named a civilian dominated cabinet to carry them out.

The political action fronts temporarily suspended their campaigns to give the new government a lead.

"Unfortunately, the reforms were too little and came too late," one disappointed observer said.

And so, after a short honeymoon, the left began stepping up its agitation again.

The present crisis came to a head just before New Year's Eve when the three civilian members of the junta, and all but one of the cabinet ministers resigned charging Rightist officers with impeding the reforms.

20 demonstrators killed in streets of El Salvador

SAN SALVADOR, El Salvador, Jan. 23 (AP) — A gun battle broke up an anti-government march by an estimated 100,000 Leftists and sniper fire continued afterward in downtown San Salvador. Witnesses said at least 20 persons were killed and 80 wounded in the main clash near the National Palace.

Leftists sealed off several city blocks and called on their comrades to join them behind the barricades.

It was the stiffest, and bloodiest, challenge so far to the civilian-military junta installed after a coup ousted the right-wing regime of President Carlos Humberto Romero Oct. 15.

There were conflicting reports about who started the shooting as the marchers, extending for about 20 blocks, approached the square in front of the National Palace and Metropolitan Cathedral.

A national guard spokesman said marchers fired first and one guardsman on duty at the palace was killed. No official report on casualties was issued.

Some witnesses said the first shots came from the National Palace, which houses a number of government departments, including the Defense Ministry.

The national guard had confined members of the capital's security forces to their barracks before the march to avoid clashes, and no uniformed officers were seen in the square.

One witness told reporters the shooting "started coming from all sides" as the marchers neared groups of armed civilians standing on street corners at the square. Another said that when the shooting began, some marchers pulled guns from satchels and packages and shot back.

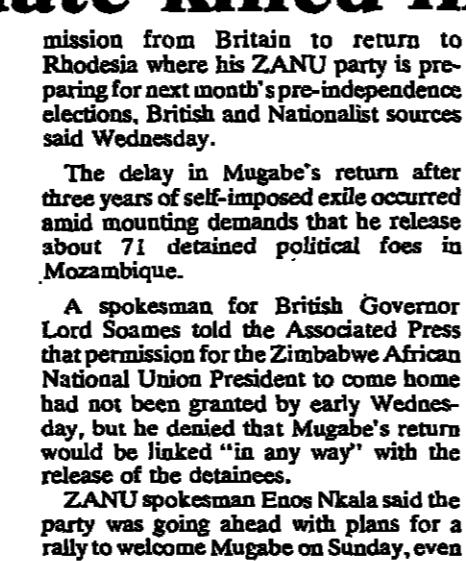
An American photographer, who asked not to be named, said, "The Leftists showed amazing organization. They ordered their people to lie down and then began returning the fire."

Several militant right-wing groups had vowed to disrupt the march.

The initial battle lasted about 15 minutes, with most of the demonstrators fleeing into side streets and then taking over one area of several blocks around the social security building and five blocks away from the palace and central square.

About 200 persons sought refuge in the metropolitan cathedral, including Jose Uribe, a correspondent for the Mexico City newspaper *Excelsior*.

Witnesses said about 200 persons remained in the square as night fell, exchang-



ing shots with snipers in adjoining streets.

National guard officials blamed "Leftist subversives disguised as policemen" for the street fighting.

Many of the marchers came to the capital from rural areas, and they were stranded as roving bands of militants set fire to buses and at least a dozen cars.

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